

against any compulsory Sunday observance legislation; to the Committee on the District of Columbia.

1398. By Mr. SINNOTT: Petition of numerous citizens of Bend, Oreg., protesting against enactment of House bill 78, the Lankford bill, or any similar compulsory Sunday observance legislation; to the Committee on the District of Columbia.

1399. By Mr. STRONG of Pennsylvania: Petition of citizens of Kittanning, Pa., in favor of legislation to provide an increase of pension for Civil War veterans and their dependents; to the Committee on Invalid Pensions.

1400. By Mr. SWING: Petition of citizens of San Diego, Calif., protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

1401. Also, petition of citizens of La Mesa, Calif., and other communities, protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

1402. Also, petition of citizens of Palo Verde Valley, Calif., protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

1403. Also, petition of citizens of Banning, Calif., and other communities, protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

1404. Also, petition of citizens of Riverside, Calif., and other communities, protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

1405. Also, petition of citizens of Escondido, Calif., protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

1406. By Mr. TARVER: Petition of Mr. F. L. Williams and 16 other citizens of the seventh district of Georgia, protesting against compulsory Sunday observance legislation; to the Committee on the District of Columbia.

1407. By Mr. THATCHER: Petition of numerous residents of Louisville, Ky., protesting against compulsory observance; to the Committee on the District of Columbia.

1408. Also, petition of numerous residents of Louisville, Ky., protesting against compulsory observance; to the Committee on the District of Columbia.

1409. By Mr. THOMPSON: Petition of 70 citizens of Van Wert, Ohio, praying for early passage of a bill granting more liberal pensions to Civil War veterans and widows; to the Committee on Invalid Pensions.

1410. By Mr. THURSTON: Petition of 17 citizens of Lamoni, Decatur County, Iowa, requesting the Congress of the United States to enact legislation to increase pensions now allowed to veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

1411. Also, petition of 66 citizens of Osceola, Clarke County, Iowa, requesting the Congress of the United States to enact legislation to increase pensions now allowed to veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

1412. By Mr. VINCENT of Michigan: Petition of 81 residents of St. Louis, Mich., protesting against House bill 78, or any other bill providing for compulsory Sunday observance; to the Committee on the District of Columbia.

1413. By Mr. WASON: Petition of residents of Keene, N. H., protesting against the enactment into a law of House bill 78; to the Committee on the District of Columbia.

1414. By Mr. WEAVER: Petition of citizens of Rutherford County, N. C., protesting against the passage of House bill 78, Lankford Sunday observance bill; to the Committee on the District of Columbia.

1415. By Mr. WELLER: Petition of citizens from the State of New York, protesting against the enactment of the Lankford compulsory Sunday observance bill; to the Committee on the District of Columbia.

1416. By Mr. WILLIAMSON: Petition of a number of citizens of Burke, S. Dak., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

1417. By Mr. WINTER: Resolutions of Greybull Lions Club, Greybull, Wyo.; to the Committee on Agriculture.

1418. Also, petition by residents of Goshen County, Wyo., against compulsory Sunday observance; to the Committee on the District of Columbia.

1419. By Mr. WURZBACH: Petition of Mrs. G. M. Jorgenson, Mary Kelly, G. M. Jorgenson, Robert Henry, and other citizens of San Antonio, Bexar County, Tex., protesting against the passage of House bill 78; to the Committee on the District of Columbia.

1420. Also, petition of A. J. Day, R. N. O'Neal, J. O. Hichek, Thos. G. Morgan, A. E. Mahan, W. F. Redding, and other citizens of Corpus Christi, Nueces County, Tex., protesting against House bill 78; to the Committee on the District of Columbia.

## SENATE

THURSDAY, January 12, 1928

(Legislative day of Wednesday, January 11, 1928)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	McKellar	Shipstead
Barkley	Fess	McLean	Shortridge
Bayard	Fletcher	McMaster	Smoot
Bingham	Frazier	McNary	Steck
Black	George	Mayfield	Steiner
Blaine	Gerry	Metcalf	Stephens
Blease	Gillett	Neely	Swanson
Borah	Gould	Norbeck	Thomas
Brookhart	Greene	Norris	Trammell
Broussard	Hale	Nye	Tydings
Bruce	Harris	Oddie	Tyson
Capper	Harrison	Overman	Wagner
Caraway	Hayden	Phipps	Walsh, Mass.
Copeland	Hefflin	Pine	Walsh, Mont.
Couzens	Howell	Ransdell	Warren
Curtis	Johnson	Reed, Mo.	Waterman
Cutting	Jones	Reed, Pa.	Wheeler
Dale	Kendrick	Robinson, Ark.	Willis
Deneen	Keyes	Robinson, Ind.	
Dill	Kling	Sackett	
Edge	La Follette	Sheppard	

Mr. ROBINSON of Indiana. My colleague the senior Senator from Indiana [Mr. WATSON] is necessarily absent. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-one Senators having answered to their names, a quorum is present.

## PETITION—ROAD FROM NIAGARA FALLS TO WASHINGTON

Mr. COPELAND. Mr. President, I present a resolution adopted by the Niagara County (N. Y.) Board of Supervisors, in the nature of a petition, which I ask may be printed in the RECORD and referred to the Committee on Post Offices and Post Roads.

There being no objection, the resolution was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

Supervisor Canavan offered the following preamble and resolution and moved the adoption of the resolution:

"Whereas there is pending in the Congress of the United States a bill introduced by Representative WILLIAM P. HOLADAY, of Illinois, which provides for the construction of several hard-surfaced Federal post roads, including route No. 64, extending from Niagara Falls, N. Y., to Washington, D. C.; and

"Whereas the eventual construction of the proposed Route No. 64 would afford needed relief for traffic congestion between the cities of Niagara Falls and Buffalo and would be of great commercial value to the communities affected: Now therefore be it

"Resolved, That the Niagara County Board of Supervisors does hereby favor the enactment into law of the aforesaid Holaday bill; and be it further

"Resolved, That the clerk of this board be, and he is hereby, directed to forward copies of this resolution to the Hons. ROYAL S. COPELAND and ROBERT F. WAGNER, United States Senators, and to Congressman S. WALLACE DEMPSEY, Washington, D. C."

The resolution was adopted.

## STATE OF NEW YORK,

## County of Niagara, ss:

This is to certify that I, the undersigned, clerk of the Board of Supervisors of the County of Niagara, have compared the foregoing copy of resolution with the original resolution now on file in the office, and which was passed by the board of supervisors of said county on the 30th day of December, 1927, and that the same is a correct and true transcript of such original resolution and of the whole thereof.

In witness whereof I have hereunto set my hand and the official seal of the board of supervisors this 5th day of January, 1928.

[SEAL.]

FRED H. KRULL,  
Clerk, Board of Supervisors.

## MINING EXPERIMENT STATIONS

Mr. ODDIE, from the Committee on Mines and Mining, to which was referred the bill (S. 2079) authorizing an appropriation for mining experiment stations of the United States Bureau of Mines, reported it without amendment and moved that it be referred to the Committee on Appropriations, which was agreed to.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

A bill (S. 2496) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Cumberland River on the Dover-Clarksville road in Stewart County, Tenn.; to the Committee on Commerce.

By Mr. NORRIS:

A bill (S. 2497) to amend section 543 of title 28 of the United States Code; and

(By request.) A bill (S. 2498) to amend section 18 of the Judicial Code (U. S. C., title 18, ch. 1, sec. 22); to the Committee on the Judiciary.

By Mr. ROBINSON of Indiana:

A bill (S. 2499) authorizing the President of the United States to appoint Samuel Woodfill to the position and rank of captain in the Army of the United States and immediately retire him with the rank and pay of a captain; to the Committee on Military Affairs.

A bill (S. 2500) for the relief of Timothy C. Harrington; and

A bill (S. 2501) for the relief of Wellington Johnson; to the Committee on Claims.

A bill (S. 2502) granting an increase of pension to Nancy E. Taylor (with accompanying papers);

A bill (S. 2503) granting a pension to George Kinley (with accompanying papers);

A bill (S. 2504) granting a pension to James W. Shaw; and

A bill (S. 2505) granting increase of pensions under the general law to soldiers and sailors of the Regular Army and Navy, and their dependents, for disability incurred in service in line of duty, and authorizing that the records of the War and Navy Departments be accepted as to incurrence of a disability in service in line of duty; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 2506) to amend the packers and stockyards act, 1921; to the Committee on Agriculture and Forestry.

By Mr. TRAMMELL:

A bill (S. 2507) to amend paragraphs 743, 746, 757, 763, and 770 of schedule 7 of the tariff act of 1922, relative to agricultural products; to the Committee on Finance.

A bill (S. 2508) providing that freight, express, and passenger rates shall not be increased without authority of the Interstate Commerce Commission and providing that shippers shall be given at least 60 days' notice of hearings on application for increase of rates; to the Committee on Interstate Commerce.

By Mr. WALSH of Massachusetts:

A bill (S. 2509) granting an increase of pension to Adelaide H. Hadley; to the Committee on Pensions.

By Mr. REED of Pennsylvania:

A bill (S. 2510) amending section 1 of the act of March 3, 1893 (27 Stat. L. 751), providing for the method of selling real estate under an order or decree of any United States court; to the Committee on the Judiciary.

By Mr. RANDELL:

A bill (S. 2511) to change the name of St. Vincent's Orphan Asylum, and amend the act entitled "An act to amend an act entitled 'An act to incorporate St. Vincent's Orphan Asylum, in the District of Columbia,' approved February 25, 1831"; to the Committee on the District of Columbia.

By Mr. HARRIS:

A bill (S. 2512) for the relief of Madie Byrd Tootle; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 2513) for the relief of John H. Morse; to the Committee on Claims.

By Mr. CURTIS:

A bill (S. 2514) for the relief of Mrs. Richard Bell Buchanan; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2515) for the relief of the owners of the steam tug *Joshua Lovett*;

A bill (S. 2516) for the relief of the owners and/or receiver of the American steam tug *W. S. Holbrook*; and

A bill (S. 2517) for the relief of the owner of barge *Consolidation Coastwise No. 10*; to the Committee on Claims.

By Mr. EDWARDS:

A bill (S. 2518) granting an increase of pension to James McDermott (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 2519) for the relief of Robert W. Miller; to the Committee on Military Affairs.

By Mr. WILLIS:

A bill (S. 2520) granting an increase of pension to Mary Jane Corson (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 2521) to reduce night work in the Postal Service; to the Committee on Post Offices and Post Roads.

By Mr. HOWELL:

A bill (S. 2522) granting an increase of pension to Mary Willoughby Osterhaus; to the Committee on Pensions.

By Mr. BROOKHART:

A bill (S. 2523) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof; to the Committee on Civil Service.

INVESTIGATION RELATIVE TO SINKING OF THE SUBMARINE "S-4"

Mr. TRAMMELL submitted the following resolution (S. Res. 109), which, on his request, was ordered to lie over under the rule:

*Resolved*, That a committee composed of five Senators, to be appointed by the President of the Senate, is hereby authorized and created.

*Resolved further*, That it shall be the duty of the said committee to investigate the full facts of the sinking of the submarine S-4 in collision on December 17, 1927, with the United States Coast Guard destroyer *Paulding* off the Massachusetts coast, and the rescue and salvage operations carried on by the United States Navy subsequent thereto. All hearings before the committee shall be open to the public.

*Resolved further*, That to carry out and give effect to the provisions of this resolution the committee hereby created shall have power to issue subpoenas, administer oaths, summon witnesses, require the production of books and papers, and receive testimony taken before any proper officer in any State or Territory of the United States.

*Resolved further*, That the said committee shall immediately proceed with the said investigation and not later than March 15, 1928, make its report to the Senate.

## POWER OR RESERVOIR SITES

On motion of Mr. SMOOT, the bill (S. 1313) to amend section 13, chapter 431, of an act approved June 25, 1910 (36 Stat. L. 855), so as to authorize the Secretary of the Interior to issue trust and final patents on lands withdrawn or classified as power or reservoir sites, with a reservation of the right of the United States or its permittees to enter upon and use any part of such land for reservoir or power-site purposes, was recommitted to the Committee on Public Lands and Surveys.

Mr. NYE subsequently reported the foregoing bill from the Committee on Public Lands and Surveys and moved that it be referred to the Committee on Indian Affairs, which was agreed to.

## CHANGES OF REFERENCE

On motion of Mr. WARREN, the Committee on Appropriations was discharged from the further consideration of the bill (S. 1922) making an appropriation to pay the State of Massachusetts for expenses incurred and paid, at the request of the President, in protecting the harbors and fortifying the coast during the Civil War, in accordance with the findings of the Court of Claims and Senate Report No. 764, Sixty-sixth Congress, third session, and it was referred to the Committee on Claims.

On motion of Mr. SHORTHIDGE, the Committee on the Judiciary was discharged from the further consideration of the bill (S. 1268) to further amend section 4756 of the Revised Statutes, and it was referred to the Committee on Naval Affairs.

On motion of Mr. REED of Pennsylvania, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 2407) to authorize the admission of equipment or material free of duty, and it was referred to the Committee on Finance.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 519. An act for the relief of Joseph F. Ritcherdsen;

H. R. 802. An act to correct the military record of Curtis P. Wise;

H. R. 871. An act for the relief of William Earhart;

H. R. 971. An act for the relief of James K. P. Welch;

H. R. 972. An act for the relief of James C. Simmons, alias James C. Whitlock;

H. R. 1072. An act for the relief of George Adams;

H. R. 1073. An act for the relief of Richard Brannan;

H. R. 1530. An act to amend the military record of William F. Wheeler;



- H. R. 1533. An act for the relief of Theodore Herbert;  
H. R. 1534. An act to correct the military record of John Dewitt Marvin;  
H. R. 1537. An act for the relief of William R. Connolly;  
H. R. 1589. An act for the relief of John J. Waters;  
H. R. 1590. An act to correct the records of the War Department to show that Guy Carlton Baker and Calton C. Baker or Carlton C. Baker is one and the same person;  
H. R. 1931. An act for the relief of Daniel Mangan;  
H. R. 1970. An act for the relief of Dennis W. Scott;  
H. R. 2272. An act for the relief of William Morin;  
H. R. 2284. An act for the relief of Lucius Bell;  
H. R. 2294. An act for the relief of George H. Gilbert;  
H. R. 2296. An act to amend the military record of Robert Zink;  
H. R. 2422. An act to correct the military record of Jordan Kidwell;  
H. R. 2472. An act for the relief of Emile Genireux;  
H. R. 2482. An act for the relief of John Jakes;  
H. R. 2523. An act for the relief of Harvey Dunkin;  
H. R. 2524. An act for the relief of Mary M. Jones;  
H. R. 2526. An act for the relief of William Perkins;  
H. R. 2528. An act for the relief of J. W. La Bare;  
H. R. 2649. An act authorizing the President to reappoint John P. Pence, formerly an officer in the Signal Corps, United States Army, an officer in the Signal Corps, United States Army;  
H. R. 2808. An act for the relief of Ella G. Richter, daughter of Henry W. Richter;  
H. R. 2809. An act for the relief of the heirs of Jacob Thomas;  
H. R. 3041. An act for the relief of Alfred St. Dennis;  
H. R. 3049. An act for the relief of Alexander Ashbaugh;  
H. R. 3145. An act for the relief of Willis B. Cross;  
H. R. 3166. An act for the relief of Bert H. Libbey, alias Burt H. Libbey;  
H. R. 3192. An act for the relief of John Costigan;  
H. R. 3216. An act for the relief of Margaret T. Head, administratrix;  
H. R. 3241. An act for the relief of Seymour Buckley;  
H. R. 3315. An act for the relief of Charles A. Black, alias Angus Black;  
H. R. 3352. An act for the relief of Estle David;  
H. R. 3394. An act for the relief of W. P. Thompson;  
H. R. 3400. An act to correct the military record of Andrew B. Ritter;  
H. R. 3440. An act for the relief of Alvin H. Tinker;  
H. R. 3458. An act for the relief of Charles Beretta, Isidore J. Proulx, and John J. West;  
H. R. 3466. An act for the relief of George A. Winslow;  
H. R. 3467. An act for the relief of Giles Gordon;  
H. R. 3510. An act to authorize the President, by and with the advice and consent of the Senate, to appoint Capt. George E. Kraul a captain of Infantry, with rank from July 1, 1920;  
H. R. 3673. An act for the relief of Maj. F. Ellis Reed;  
H. R. 3723. An act for the relief of John M. Andrews;  
H. R. 3737. An act for the relief of John T. O'Neill;  
H. R. 3926. An act for the relief of Joseph Jameson;  
H. R. 3969. An act for the relief of James E. Westcott;  
H. R. 3993. An act for the relief of Adam B. Ackerman, alias Adam B. Aunkerman;  
H. R. 4013. An act for the relief of Charles R. Stevens;  
H. R. 4027. An act for the relief of the widow of Warren V. Howard;  
H. R. 4079. An act for the relief of William A. Hynes;  
H. R. 4080. An act for the relief of William Smith;  
H. R. 4104. An act to correct the military record of James William Cole;  
H. R. 4168. An act for the relief of John Strevy, deceased;  
H. R. 4203. An act for the relief of A. S. Guffey;  
H. R. 4280. An act to correct the military record of John W. Cleavenger, deceased;  
H. R. 4536. An act for the relief of Fred R. Nugent;  
H. R. 4652. An act for the relief of Charlie R. Pate;  
H. R. 4654. An act for the relief of Kennedy F. Foster;  
H. R. 4655. An act for the relief of David E. Goodwin;  
H. R. 4660. An act to correct the military record of Charles E. Lowe;  
H. R. 4661. An act to correct the military record of William Mullins;  
H. R. 4702. An act to remove the charge of desertion from the record of Benjamin S. McHenry;  
H. R. 4707. An act for the relief of Calvin H. Burkhead;  
H. R. 4777. An act to compensate Robert F. Yeaman for the loss of certain carpenter tools which was incurred by reason of a fire in the Government area at Old Hickory Ordnance Depot;  
H. R. 4902. An act to correct the military record of Charles Robertson;  
H. R. 4926. An act for the relief of the Pocahontas Fuel Co. (Inc.);  
H. R. 4927. An act for the relief of Francis Sweeney;  
H. R. 5065. An act for the relief of James M. Winston;  
H. R. 5224. An act for the relief of Thomas J. Gardner;  
H. R. 5228. An act for the relief of Finas M. Williams;  
H. R. 5230. An act to correct the military record of Pleasant R. W. Harris;  
H. R. 5231. An act to correct the military record of James Shook;  
H. R. 5232. An act to correct the military record of Owen J. Owen;  
H. R. 5255. An act for the relief of Jacob F. Webb;  
H. R. 5297. An act for the relief of Christine Brenzinger;  
H. R. 5300. An act for the relief of Lewis H. Francke and Blanche F. Shelley, sole legal heirs of Ralph K. Warrington;  
H. R. 5336. An act for the relief of John J. Corcoran;  
H. R. 5338. An act for the relief of Roland M. Baker;  
H. R. 5380. An act to correct the military record of G. W. Gilkison;  
H. R. 5381. An act to correct the military record of Thomas Spurrier;  
H. R. 5383. An act to correct the military record of John W. Siple;  
H. R. 5424. An act for the relief of Anthony Schwartzberger;  
H. R. 5894. An act for the relief of the State Bank & Trust Co., of Fayetteville, Tenn.;  
H. R. 5923. An act for the relief of the Sanitarium Co., of Portland, Oreg.;  
H. R. 5994. An act for the relief of George C. Hussey;  
H. R. 6005. An act for the relief of Edward J. Boyle;  
H. R. 6006. An act for the relief of Patrick J. Langan;  
H. R. 6007. An act for the relief of John Magill;  
H. R. 6116. An act for the relief of R. P. Biddle;  
H. R. 6162. An act for the relief of Thomas M. Ross;  
H. R. 6180. An act for the relief of William H. Armstrong;  
H. R. 6185. An act for the relief of Thomas Jefferson Shropshire;  
H. R. 6282. An act for the relief of Henry Shull;  
H. R. 6364. An act for the relief of Edward Tigh;  
H. R. 6389. An act for the relief of Samuel Pelfrey;  
H. R. 6431. An act for the relief of Lewis H. Easterly;  
H. R. 6432. An act for the relief of James E. Moyer;  
H. R. 6438. An act for the relief of David Parrett;  
H. R. 6442. An act for the relief of Ralph H. Lasher, whose name appears in the Army records as Ralph C. Lasher;  
H. R. 6579. An act for the relief of James W. Kingon;  
H. R. 6619. An act for the relief of the estate of William Bardel;  
H. R. 6839. An act to remove the charge of desertion against Israel Brown and to grant him an honorable discharge;  
H. R. 6917. An act to correct the military record of Sylvester De Forest;  
H. R. 7110. An act for the relief of Frances L. Dickinson;  
H. R. 7227. An act for the relief of William H. Dotson;  
H. R. 7228. An act for the relief of Frederick Leininger;  
H. R. 7229. An act for the relief of Henry Simmons;  
H. R. 7553. An act for the relief of James Neal;  
H. R. 7779. An act for the relief of William H. Wagoner;  
H. R. 7992. An act for the relief of Sally Mattie Macready, widow of Edward Daniel Macready;  
H. R. 8092. An act for the relief of Randolph Sias;  
H. R. 8093. An act for the relief of John Rooks;  
H. R. 8190. An act for the relief of John G. Cassidy;  
H. R. 8370. An act for the relief of Jeremiah F. Mahoney;  
H. R. 8509. An act for the relief of Albert O. Tucker;  
H. R. 8574. An act for the relief of Thomas Murphy;  
H. R. 8589. An act for the relief of Thomas F. Nicholas;  
H. R. 8590. An act for the relief of Nicholas Jones;  
H. R. 8599. An act for the relief of George D. Vedder;  
H. R. 8627. An act for the relief of John Clark;  
H. R. 8628. An act for the relief of Amos Dahuff;  
H. R. 8643. An act for the relief of William Taylor Coburn;  
H. R. 8673. An act for the relief of Edward F. Weiskopf;  
H. R. 8674. An act for the relief of Lester Cooley;  
H. R. 8772. An act granting an annuity to Dr. Robert P. Cooke;  
H. R. 8775. An act for the relief of George P. Bailey;  
H. R. 8778. An act for the relief of William W. Woodruff;

H. R. 8788. An act to correct the military record of Willard Thompson, deceased;

H. R. 8796. An act for the relief of Martin L. Duffy;

H. R. 8797. An act for the relief of Clayton H. Adams;

H. R. 8798. An act for the relief of William Lentz;

H. R. 8804. An act for the relief of George W. McNeil;

H. R. 8805. An act for the relief of Martha D. McCune;

H. J. Res. 93. Joint resolution for the appointment of Paul E. Divine, of Tennessee, as member of the Board of Managers of the National Home for Disabled Volunteer Soldiers; and

H. J. Res. 135. Joint resolution for the relief of special disbursing agents of the Alaska Railroad.

#### THE TARIFF AND AGRICULTURAL RELIEF

The Senate resumed the consideration of the resolution (S. Res. 52) submitted by Mr. McMASTER, favoring a reduction of tariff schedules and the consideration of tariff legislation at the present session of Congress.

Mr. NYE. Mr. President, the resolution offered by the junior Senator from South Dakota and which favors such revision of the tariff in this session of Congress as will afford a better balance as between great and powerful industry on the one hand and agriculture and smaller business enterprise on the other has provoked a most interesting debate.

The debate shows an awakening of the Senate to the real existence of a tremendous element of dissatisfaction throughout America—a dissatisfaction that promises a great element of misfortune for the political party which longer ignores the appeal for a new order that will find the favors of government showered alike upon all people and all sections of the country.

I shall not at this time argue with those who contend that the resolution is not choice at this time. I want only to say that it sounds and expresses clearly the frame of mind of that great element of our population residing upon farms and in communities which find their prosperity or adversity in agriculture. It is a frame of mind which statesmen recognize and which politicians had best contend if they would save the lives of their parties. These dissatisfied people are not going to listen to all the little niceties which can be uttered in support of the present tariff structure. They want a balance in the economic field, a balance which the present order makes impossible. They want and will demand that privileges afforded by the tariff be fairly distributed. They want and will demand that if industry shall be artificially propped up to a higher plane that all industry and labor shall be given equally favorable and helpful props. They want and demand a fair balance. How they get it does not matter much. If the only way remaining for them to win that fair balance is to pull all industry down onto the economic plane occupied by themselves they will not hesitate to use their influence to help pull industry off its high horse. That is what can fairly be expected if the present order is permitted to prevail.

Listening to the debate upon this question one finds that the opponents of the resolution are assuming the "leave-well-enough-alone" attitude. Leave things alone; do not rock the boat; do not upset the present order which is giving America the most brilliant days of her career!

I realize that it is most unpopular to differ with this contention that we are enjoying a greater prosperity to-day than ever before, but I can not see it to be much short of criminal to fool ourselves longer into the belief that all is well and just as it ought to be. There may be prosperity rampant in certain quarters, but to declare that prosperity is general is to declare falsely. The economic balance or lack of balance really existing is alarming to say the least, and is generally considered so by unprejudiced minds.

There has been called to my attention an editorial appearing in the current issue of the weekly paper known as Labor, which I am going to ask the Senate to listen to at this time:

Dr. William E. Dodd, one of the great historians of this country and professor of American history at the University of Chicago, spoke in Washington the other night on the question: "Shall American farmers become peasants?"

It was one of the sharpest challenges and warnings ever given from a responsible source in a Nation's Capital. Tillers of the soil in other ages and countries have been peasants, said Doctor Dodd; "dust feet," as the Greeks called them. Are ours doomed to the same fate? They seem headed that same way.

They have been "deflated" for the third time in American history, and they may not survive—as farmers, as exponents of the splendid rural civilization which has been the basis of our national life.

America began as a Nation of farmers, desperately in debt. The Napoleonic wars sent prices skyward, and the resulting prosperity

flooded the new ship of state. When Napoleon was caged came the first great deflation. Prices of farm products dropped to half or a quarter what they had been. Other prices fell much less. Manufacturers got a tariff to help them; farmers got nothing; they went broke and went west by millions.

The Civil War and the years following repeated the process with hardly a change, except that the postwar tariff was higher. The World War did the same, save that there is no longer a west for the farmer to go to.

"Manufacturing has the tariff," said Doctor Dodd. "Transportation has the Esch-Cummins Act, and 5% per cent. Labor has restricted immigration—and I did all I could to help pass that immigration law. The farmer has nothing."

Secretary Mellon says that the country can not spare anything for farm relief—and in the same breath tells Congress to cut \$225,000,000 from the income tax. Our good Democrats in Congress—I am a Democrat—say that they will cut \$400,000,000 from the income tax; but where is relief for the farmer?"

Doctor Dodd gave a concrete instance of how the farmer is exploited. He has a farm and an orchard in Virginia.

Last year he sold his apples for 15 cents a barrel. He followed them to Washington, and found exactly similar apples selling at the rate of \$15 a barrel.

"What is the remedy?" asked Doctor Dodd. "I do not know; but I think one could be found. If I were a statesman responsible for the welfare of this country, I think I should find the remedy or commit suicide. I sometimes wonder if a good many of our public men want to find a remedy."

Farmers or peasants? That is the choice. Will history show that this grim warning, delivered by one of the Nation's great students, in the very shadow of the Capitol, was given in vain?

If we approach our work in Congress this winter in that frame of mind in which leaders would have us, we can not hope to accomplish the changes which are so essential. We are, I fear, for the most part in a wrong frame of mind to do anything really constructive.

We need more than anything else at this time to face the facts as they are and resolve to keep them in mind in our consideration of the many pressing problems before us.

But from every hand, to keep us in this wrong frame of mind, comes the cry of prosperity. It is claimed that everything is in splendid order and there is no cause whatever for complaint from any source.

It has been suggested to me in correspondence which I have had with one of my farmer constituents in North Dakota that it might be a splendid idea at this time, in view of the fact that there are a great many people wanting to know just where this thing which is called prosperity is, to call the marines from Nicaragua and put them to the task of locating prosperity here at home.

I have before me a great many newspaper clippings which I have collected during the last two or three weeks. I merely wish to call to the attention of the Senate some of their headings. Here is one:

Secretary Mellon declares business conditions stable.

And he goes on to show what a wonderfully prosperous year 1927 was and states that we may expect a continuation of that same state of affairs in 1928. "Speaker LONGWORTH," of the House, "finds prosperity in all quarters," according to another newspaper story.

During the Christmas season the Washington papers were filled with accounts of instances of unemployment and distress in the District of Columbia, here in the very shadow of the National Capitol, whence comes all of this boasting of our great national prosperity. We know that there were scores of individuals and of families right here in Washington needing aid, needing the help of charity, which was given so far as charity would permit; but yet it is claimed right here in Washington that we are living in an era of prosperity heretofore unknown to the Capital or to the Nation. Then came the cold spell during the Christmas holidays and with it came an announcement that—

An army of nearly 700 homeless and unemployed men besieged the city's charitable refuges, and that various institutions housed and fed the largest group of unfortunates seen here since the winter of 1917.

Reports from mission workers indicated that lodgings were being sought by shivering and hungry persons in virtually every section of the Capital.

And yet it is claimed we are in an era of the greatest prosperity the Nation has ever known.

In the Washington Times of January 2 one reads a like story. This clipping states:



From about noon yesterday, a portion of the army of unemployed began straggling into the Central Union Mission at 622 Louisiana Avenue NW. and the Gospel Mission at 214 John Marshall Place NW.

During the recent cold spell here the Gospel Mission used all its beds and other unfortunates slept upon the floor. Last year the Gospel Mission served 40,000 free meals for the hungry.

Again, I repeat, that occurred right here in the shadow of the Nation's Capitol and of the Treasury. How many more than the newspapers tell us are actually in dire need not only of food but of the other essentials of life no man can tell. I have before me a letter written to the New York World, and published in that newspaper under date of December 31 last, which indicates that perhaps there are thousands upon thousands of needy people yet maintaining a pride that denies them the freedom of calling upon the aid of charity. This gentleman writes:

If all the effort, money, and energy used to feed 50,000 hungry men in New York one day of the year were used to solve the problem of unemployment and fair wages, it would be a service rendered to the country a hundred times greater than all the charity organizations have ever accomplished. I have seen hundreds of young, strong, and honorable men walk the streets for three or four days without food, but they have not once accepted charity. These men have exhibited character and honor equal to the best. Charity seldom reaches this type.

And so it may be with thousands upon thousands in all sections of the United States to-day.

From the Baltimore Sun of December 23 comes the alarming information, at a time when prosperity is being preached to us, that an inquiry is to be made into unemployment. The total unemployment in the city of Baltimore at that time was placed at 75,000 and Henry F. Broening, president of the Baltimore Federation of Labor, asserted that the unemployment situation in Baltimore is worse than it was in 1921.

Many other newspaper clippings which are available show a similar condition to exist in other sections; but coming back to the city of Washington, we find the unemployment situation is regarded as wholly unsatisfactory. Yet it is said there is prosperity.

I should like to call the attention of the Senate to the fact that in 1927, the most prosperous year that this Nation has ever known, there were 135 failures of national banking institutions in the United States. In only one year during the last eight has there been a number of national bank failures exceeding that figure of 135.

According to Bradstreet's review of the 1927 situation, the security markets were enormous and speculation aided by easy bank credits swelled bank clearings and debits to new high levels, while the prices of stock and other exchange seats rose to levels taxing the imagination.

Business failures, according to Bradstreet's, last year were the second largest in history, and liabilities were the fourth largest on record in the history of this country.

Dun & Co. report failures in 1927 totaling 23,146, and claims of a larger number of failures than that have been made by others. However, the total which Dun & Co. report for 1927 were exceeded only by the totals of that terrible year 1922, and there was last year an increase in the sum total of liabilities.

Mr. President, I ask that this report by Dun & Co. may be incorporated in the Record at this point in my remarks.

The PRESIDING OFFICER (Mr. NORRIS in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

[From the New York Times, January 4, 1928]

FAILURES IN 1927 PLACED AT 23,146—DUN & CO. REPORT INCREASE OF 6 PER CENT IN YEAR—20,265 ON BRADSTREET'S RECORD—BIGGER TOTALS ONLY IN 1922—GREATER RISE IN SUM OF LIABILITIES—BANKRUPTCIES IN DECEMBER NUMBERED 2,162

The number of commercial failures in the United States has risen for the fourth consecutive year. R. G. Dun & Co. report for 1927, exclusive of banking and other fiduciary suspensions, the total being 23,146 for the year, against 21,773 defaults in 1926, 21,214 two years ago, 20,615 in 1924, and 18,718 insolvencies in 1923, the low point since 1920.

Liabilities fared much worse than the numerical exhibit, Dun's reports, reaching \$520,104,268, and contrasting with \$409,200,000 in 1926 and \$443,700,000 in 1925, the increases over these two years being 27 and 18 per cent, respectively. The 1927 indebtedness, although large, falls below that for the four years immediately prior to 1925, and compares with a record high of \$627,400,000 in 1921, in which year the returns reflected sharply the economic readjustment which began to gather force in 1920. The annual figures, as compiled by Dun & Co., follow:

Year	Number	Assets	Liabilities
1927	23,146	\$256,739,633	\$520,104,268
1926	21,773	202,345,485	409,200,000
1925	21,214	248,066,570	443,700,000
1924	20,615	337,945,190	543,225,449
1923	18,718	388,382,154	539,386,806
1922	23,676	413,357,995	623,896,251
1921	19,652	409,038,316	627,400,000
1920	8,881	195,504,114	295,121,805
1919	6,451	67,037,843	113,291,237
1918	9,892	101,637,798	163,019,979
1917	13,855	103,464,805	182,441,371
1916	16,993	113,599,026	196,212,256
1915	22,156	83,453,785	302,286,148
1914	18,280	265,293,046	357,908,859
1913	16,037	174,688,151	272,672,288
1912	15,452	126,278,321	203,117,391
1911	13,441	124,516,544	191,061,665

There was an increase in December, in accordance with a seasonal trend, failures for the month numbering 2,162, or about 16 per cent above the number for November and 21 per cent above that in October. Failures numbered 2,069 in December last year. Liabilities in December were \$51,262,253, against \$36,100,000 in November and \$45,650,000 in December, 1926.

The total number of failures in the United States in 1927 reported to Bradstreet's was 20,265, and the total liabilities of those failing was \$654,282,367, an increase of 1.2 per cent in the number of failures as compared with 1926, but a decrease in liabilities from that year of one-tenth of 1 per cent. The failures in 1927 constituted the second largest total on record, but fell below those of the peak year 1922 by 9.6 per cent, while the liabilities were the fourth largest recorded, falling 13.3 per cent behind those of the peak year 1921.

Following are the failures, assets, liabilities, and the percentage of those in business failing in each year of the last decade as reported by Bradstreet's:

Year	No failures	Actual assets, millions	Total liabilities, millions	Per cent failing
1927	20,265	385.1	654.3	0.80
1926	20,024	379.7	655.2	.88
1925	18,859	261.7	479.6	.84
1924	19,712	419.7	694.8	.89
1923	19,159	399.1	631.1	.89
1922	22,415	365.6	649.8	1.08
1921	20,014	446.6	755.7	.97
1920	8,463	274.1	426.3	.43
1919	5,515	55.3	115.5	.29
1918	9,331	69.3	137.9	.51

Mr. NYE. The Department of Justice records that during the last year there were 48,758 bankruptcies, involving \$885,557,000, or \$80,000,000 more than during 1926 and half a billion dollars more than 10 years ago.

We find that the condition of some of the more powerful banking institutions, located primarily in the city of New York, evidences an element of prosperity.

Under date of January 4, 1928, the New York Times declares that the Guaranty Trust Co. of New York enjoyed last year an increase of \$1,077,739 in profits, which figure does not include, mind you, the \$5,000,000 transferred to the surplus account during that year.

The Bowery and East River National Bank, of New York, showed undivided profits last year of \$11,320,221 as against \$6,574,545 the year previous.

The International Acceptance Bank transacted a greater volume of business in 1927 than in any previous year during its establishment; and, according to this story in the Times, after six years of operation it now reports total assets of \$130,591,971, an increase of \$24,969,891, or 23 1/2 per cent since the close of 1926.

So I might go on further to show the increase in business transactions by the banks of the country during 1927.

Another newspaper, the Christian Science Monitor, in its issue of December 31, relates the high levels reached by financing in America in 1927, and here is a very interesting paragraph therefrom:

Bond financing, like total financing, for 1927 stands out as an all-time record, the figures in this class alone overtopping the total of stock and bond financing combined for 1926. The 1927 volume of bond financing was approximately \$7,750,000,000. This is a 27 per cent increase over 1926 and a 47 per cent increase over the previous five-year average.

Indicating that whatever element of prosperity exists in any material order to-day is found only in those institutions which

are dealing in the fluctuating values of stocks and bonds in this country.

According to the New York State Industrial Commission there were 643,000 men and women in the State of New York out of work last December, and 3,000,000 in the United States are declared to be out of work; and yet we call this an era of prosperity, boast of our prosperity, and every agency of the Government to-day is at work to sell this program of prosperity to the people of the country.

I have in my hand a copy of the Industrial, Agricultural, and General Employment Prospects for 1928, a bulletin issued by the United States Department of Labor. In the flyleaf of this document I find this very interesting explanation by Francis I. Jones, director general of the bureau.

Contrary—

He says—

to precedent established in former presidential election years, when the business world stood by waiting results before charting their programs, the opposite is true at this time. A careful perusal of this bulletin will disclose the important information that industry and business will mark new high levels in 1928.

The pessimists—

I want the Senate to hear this—

The pessimists, doubting Thomases, and the iconoclasts will be obliged to revise their opinions with respect to the Nation's industrial future.

And so one is scored who dares picture the real situation which prevails in this country to-day. The departments of the Government are giving over their literature to a condemnation of those who will not agree that in this day and age we are enjoying that measure of prosperity to which all people are entitled.

They say that business is prosperous in a general way. John Edgarton, president of the National Association of Manufacturers, addressing the annual convention of this association last October, used this language:

Outside the few gigantic corporations which do not have to bother about competition, and by whose large profits the public is misled, the common run of manufacturers in America to-day are in about as unhappy a condition as their fellow producers the farmers; and I challenge those who will overturn that statement.

That statement can not be overturned. Statistics disclose that Mr. Edgarton knew of what he was talking.

According to the income-tax returns, 40 per cent, or 200,000 of the manufacturing corporations of this country, lost money in the last reported year. Forty per cent of all corporations doing business in this country lost money! Is that prosperity? The corporations number 430,072. Of that number, one-twentieth of 1 per cent gathered in 40 per cent of the total profits of all corporations for that one year.

Mr. McLEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. NYE. I do.

Mr. McLEAN. Does the Senator believe that the unfortunate condition of 40 per cent of these corporations is due to the fact that tariff rates are too high?

Mr. NYE. I would not put it in just that language; but I do believe that their continued adversity is attributable to the fact that we have a tariff law which in words declares itself to be in the interest of agriculture, which contains schedules in the interest of agriculture, but which the Congress of the United States declines to give the farmers the advantage of through failure to enact that legislation which will make effective the tariff which has been written in support of agriculture.

Mr. McLEAN. I understand; but the Senator has no knowledge that the unfortunate condition of these corporations is due to the fact that the present tariff rates are too high.

Mr. McMASTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from South Dakota?

Mr. NYE. I yield to the Senator from South Dakota.

Mr. McMASTER. I should like to propound a question to the junior Senator from North Dakota. Is it not a fact that the large percentage of those corporations which are in a serious condition at the present time are operating throughout the agricultural West?

Mr. NYE. I think that is entirely true.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. NYE. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. As a matter of fact, the corporations that find themselves in distress as a rule are the smaller corporations, manufacturers, and so forth, are they not?

Mr. NYE. That is true.

Mr. SHIPSTEAD. It is quite possible that an explanation can be found in the statement made by Roger Babson at Omaha, I think, on the 25th day of May, in which he said we were evidently entering upon an epoch in which the big fellow is eating the little fellow. The little, independent manufacturer or merchant is "on the skids." He is being eaten up by the big fellow. I think that will explain it to some extent. I think that is true; but what I have never been able to understand is that the little fellow seems to like it.

Mr. NYE. I thank the Senator for that explanation.

Mr. McLEAN. Mr. President, does the Senator remember what Mr. Babson said with regard to the pending proposal for agricultural relief? Does the Senator remember Mr. Babson's suggestion as to what should be done by the Congress to aid the farmer?

Mr. SHIPSTEAD. Oh, yes; I remember it very well. I will state it if the Senator will permit me. He advised the farmers of the Northwest to go to Washington and camp on the coat tails of Congress.

Mr. McLEAN. Yes.

Mr. SHIPSTEAD. I think he was wrong. I think he should have said they should go to Washington and camp on the coat tails of the President.

Mr. McLEAN. But not to secure a reduction of the tariff, if I remember correctly.

Mr. SHIPSTEAD. I do not remember that statement.

Mr. HOWELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. NYE. I yield to the Senator from Nebraska.

Mr. HOWELL. I think Mr. Babson also stated that he would advise the young men in the West to get out unless conditions improved. I am speaking about the young men on the farms.

Mr. McLEAN. That is not germane to the question which I propounded.

Mr. SHORTRIDGE. Mr. President, did he tell them where to go?

Mr. HOWELL. To get into big business.

Mr. SHORTRIDGE. In California?

Mr. HOWELL. I assume so. There is a good deal of big business in California.

Mr. SHORTRIDGE. There is, indeed—fine business.

Mr. HOWELL. And it can accommodate them.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. NYE. I yield.

Mr. BROOKHART. A long time ago we had a great many people who went from Iowa to California. We have not anybody in Iowa now who has money enough to go to California.

Mr. SHORTRIDGE. Mr. President, will the Senator permit me?

Mr. NYE. I yield.

Mr. SHORTRIDGE. The most progressive, the most intelligent, and, if I may say it, the most splendid of your people have come to California, and they are all prosperous there. I know that Iowa, my native State, needs relief. I will hereafter point out the kind of relief I think she needs.

Mr. NYE. Mr. President, one-fourth of 1 per cent of all corporations doing business in America in this one year took 60 per cent of the profits of all corporations. The net profits of all corporations in that one year were \$7,500,000,000. Sixty-six per cent of this, remember, went to one-fourth of 1 per cent of all corporations, or to 1,000 corporations. One thousand corporations, then, were the recipients of \$5,000,000,000 of the \$7,500,000,000 of profits enjoyed by all of the corporations doing business in America in that one year; and it is interesting at this point to note this comparison:

Here are 1,000 big corporations in America enjoying an annual profit of approximately \$5,000,000,000, while the entire revenue, not profit, of the one-third of our population engaged in agriculture does not total quite twice the profits of that mere handful of corporations.

We know of the 10 per cent wage reduction in the textile industry. We know of the unwholesome condition existing in the mining industry. We know of the tremendous increase in criminal proceedings before the courts of our country. We know of the increase in bankruptcies and foreclosures. Yet, Mr. President, in spite of all of these facts, we still are persuaded to believe that we ought to march right in line with



those whose banner reads, "The most prosperous era in all American history." We know of the orgy which has taken place upon the stock and bonds market; and, if that spells prosperity, then, of course, I must agree with those who contend to-day that this is a wonderful era of prosperity.

No! Business, little business, the smaller business corporations in this country, do not know where to find that thing called prosperity. Likewise, the American farmer is pretty hard pressed to find it possible to say that his condition is satisfactory; that he is satisfied to leave things just as they are; that he is asking no changes here, there, or anywhere; that he is going to work his own way out of this difficulty all right. The fact of the matter is that the farmer finds himself to-day in a position where it is questionable in his mind whether he is going to be found following his industry in that particular quarter to-morrow.

According again to Federal census figures, 29.9 per cent of the people of the United States are living upon and are dependent upon the farms; and yet that virtually 30 per cent are enjoying only 8 per cent of the current national income. In the last six years the American farmers have lost in capital stock \$20,000,000,000. The exchange value of their farm lands has decreased \$4,000,000,000. Farm indebtedness in the last 15 years has increased from four to twelve billions of dollars; and for the products for which the farmer in 1925 received \$10,000,000,000 the American consumer paid \$30,000,000,000, or three times what the farmer received.

It is true that farm prices have increased during this period following the war. It is all very true. They have increased 26 per cent; but the increase in farm-living costs has not stopped at 26 per cent, but has gone on to 68 per cent.

Likewise in the case of taxes: Farm taxes have increased 112 per cent. Farm-building costs have increased 102 per cent. The freight rates on grain have virtually doubled since the war. Where it cost on the average \$45 prior to the war to ship a carload of hogs to market, to-day it costs \$130.

Then, following still further in the Federal census figures, we find there was an increase since 1914 of only 10,000 farms operated in the United States; yet of the total of farms operated in the United States in 1925 there were 80,000 less farm owners than there were in 1914, and there were 100,000 more tenants operating the farm lands of the United States than in 1914.

It is very interesting, too, to note that while in 1925 there was more livestock in the country than in 1914, its value was less by considerable than the value placed upon the lesser amount in 1914; and the value of livestock in 1925 was only half what it was in 1920.

I want to call to the attention of the Senate the situation in my own State; and what I say of the situation there I think is equally true of the situation prevailing in every other great agricultural State to-day.

We have there a situation which discloses that an increase of 50 cents in the price of a bushel of wheat would mean to every family in the State of North Dakota an increase of \$500 with which to carry on their lives, and yet North Dakota is not dependent upon wheat alone, for the value of our dairy products is thirteen times greater than is the value of our wheat crop.

While the contributions of North Dakota may be small in comparison with those of other States, nevertheless some of its contributions are a matter which the people of this country must recognize, for we are producing there one-third of all the flax produced in the United States, two-fifths of all the spring wheat, and one-fifth of all the wheat produced in the United States. No State is producing more rye and more barley than we are in North Dakota; only seven States produce more potatoes; and yet in North Dakota there exists at this time a situation which makes it impossible for anyone to stand up and declare that this is a prosperous era and get away with it.

A few weeks ago I had occasion to discuss our agricultural problem before an audience in New York, and through a very unfair representation given to that interview and address in New York, some of the people in my State have felt constrained to declare that I was grossly misrepresenting the State of North Dakota. From one newspaper, the Grand Forks Herald, comes an editorial clipping under the title "Libeling North Dakota." I shall read at this time the first paragraph:

In a recent address in New York Senator Nye, of North Dakota, told his audience that the farmers of North Dakota are worse off than they were four or five years ago, that tenant farming in the State is increasing at an alarming rate, and that six banks out of eight in one county had gone into receivership in three days.

In the main, that is what I did say. I did not say that the condition was worse than it was at any time before the war, but

I did say that I did not believe there was any material improvement over the situation which prevailed in 1920 and 1921. But there is an element of pride, of course, in every State, and anyone who ventures to say that things in his State are not as they ought to be, and who tells the truthness of the situation which does prevail there, is subject to a charge of disloyalty to his State in certain minds. For my own part, however, I can not see how agriculture is ever going to be restored to that balance to which it is entitled until the people of this country are awakened to the real situation which does prevail, and they are not going to be awakened to that situation so long as we, as representatives of those people first concerned, sit back and swallow without a gulp, even, these stories, and admit that we are living in an age of wonderful prosperity.

The tenor of the people who object toward those who go out and tell the truth about conditions is indicated in a further paragraph in this same editorial:

Mr. Nye has grossly misrepresented North Dakota in this address, and the misrepresentation is none the less because of the possible accuracy of the figures which he quotes, and none the less injurious on that account.

In other words, I may be telling the truth, but am telling things that should not be told, and ought to keep quiet in order that we may get some more people into North Dakota, put them out on these vast areas of the State which have been vacated during these last few years—help those who have been overburdened with land through foreclosures and through forfeitures which have been made during this period of depression—get them on to that land, and with what happens to them after that we are not concerned. But let us unload this land.

Mr. President, I think we ought to start on a firmer foundation. I think we ought to start out and establish agriculture in such a fashion that it will offer to that man who will properly and fairly exercise himself toward the labor which a farm calls for at least a small chance of making his effort count for something. Until that time I think it a terrible mistake on the part of any individual to seek to plant in the minds of any people the thought that things are wonderfully improved in agricultural America and that the opportunity is ripe now for people who want to go to farming to undertake it at this particular time.

These editorials which have been published along that line have brought to me a great lot of correspondence from people who are differing with the editorial criticism which is offered. Just one letter do I want to read indicating the general tenor of the thought of the people:

Mr. Nye: I am inclosing an editorial taken from the Minto Journal which bears reference to your speech in New York. I for one agree with you, as I have come in contact with a larger number of farmers than Mr. Mitchell, who is responsible for this editorial, and I am here to tell you that the majority of farmers claim that farming has been a losing proposition for the last number of years.

Mr. Mitchell does not remember that almost every town in this county has had a bank failure this fall—

Let me remark here, Senators, that in that county they had a fair crop this year; and yet, in spite of it, these bank failures continue. I read further from the letter:

We have had four bank failures within a radius of 18 miles within the last month. If the editor will only stop a few moments to review the cause of this, I am sure he will find that the farmers and farming have contributed a great deal to the financial downfall of these institutions. I presume Mr. Mitchell would like for you to paint an illusive picture before an eastern audience depicting the State of North Dakota as a great cornucopia, while in reality it should almost be assigned to the rôle of a sick man, as I figure its basic industry (agriculture) is a sickening proposition and has almost sapped the morals of those engaged in it. The elements which the farmer has to contend with are high prices of machinery, high cost of labor, high transportation charges, while in turn he receives a low price for his grain, and the purchasing power of his dollar is low enough.

I contend, Mr. President, that no agricultural State in this Union will come back more quickly, will get on its feet more quickly, than will North Dakota if agriculture is given half a chance to make its efforts count for some reasonable return.

The claim has been made during this debate, and made repeatedly—at least it has been insinuated—that the enhanced land values during the war brought about a condition which we have to expect and must accept as being the only thing that naturally could follow now. It is said that if values went up during the war that they have to come down eventually, and now is the time that they must come down. But, Mr. President, in my own State of North Dakota land values were not enhanced during the war period by one single, solitary penny.

They were not inflated out there as they were in some other States.

I merely recite this to indicate that there were States where there was no land boom during the war, but where the situation prevailing to-day is virtually as serious as it is in those States where land values did mount to proportions that virtually were out of sight.

Mr. McLEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. NYE. I yield.

Mr. McLEAN. What was the reason why land values did not rise in your State?

Mr. NYE. I am delighted to explain that to the Senator. I think one man was more responsible than any other, as the story is told, for the good fortune that was visited upon North Dakota during the war period, that found our land values not enhanced. That one individual is none other than my colleague, the senior Senator from North Dakota [Mr. FRAZIER]. During that war period North Dakota was the one State in the Union which was really not a part of the Union. We were a lot of bolsheviks out there, so they said. We were trying to solve our problems within the State. We were establishing State industries that were going to take care of the products we were producing in abundance, and give the producer a greater proportion of that margin which existed between his return and the price paid by the consumer.

In opposition to this program there came every powerful industry and every powerful influence in this country, to the end that credit was injured to such an extent, in so far as North Dakota was concerned, that we could not float, we could not sell, through the ordinary channels in this country, the bonds which were offered by the State of North Dakota to establish those industries.

A false impression went out as to our purpose, of the purpose of these honest and hard-working and seriously engaged people of North Dakota. The impression went out that those farmers were a dangerous lot of people, that North Dakota's credit was being wrecked, that it would be unsafe to make any investments in lands in North Dakota. The result was that we went through that period without any enhanced land values, and I think no one is more to be thanked for that than the Nonpartisan League, which was so severely criticized at that time, and to some degree criticized since.

Mr. McLEAN. Your wheat acreage was increased considerably out there, was it not?

Mr. NYE. Our wheat acreage was increased, and I am going to touch upon that a little later on.

The Minneapolis Journal, in connection with this objection to my disclosing the truths which exist in agricultural America, asks me this question publicly:

In the light of these figures, Senator, did you do the fair thing toward North Dakota when you let your hearers go away with the impression that things were going from bad to worse on farms that have just produced the second most valuable crop in all their history?

There is the situation, Mr. President. They have produced their second most valuable crop in North Dakota in all history, and yet, in spite of this, there are continued bank failures, there are continued bankruptcies, there are continued foreclosures and forfeitures of lands, because under the existing order the farmer is not receiving for that which he is producing a return which will compensate him for the labor and for the costs involved in the producing of that thing. It amounts virtually to this: That the more a farmer produces to-day, the worse off he is.

Mr. NORBECK. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. NORBECK. I was not in the Chamber during the early part of the Senator's speech and it was not my pleasure to hear that part of it. I wondered whether the Senator went into the causes of the depreciation of the farmer's dollar; and if so, what his views are on that point.

Mr. NYE. I have not yet done so, but I fully plan to.

In my own State of North Dakota see what has occurred since the war. There were less farms in 1925, according to the Federal census, than there were in 1910. Where in 1910, 17 years ago, with our resources hardly scratched, with the whole future before us, we had 44,000 farm owners in the State of North Dakota, 15 years later found us not with 44,000 full farm owners, but with only 26,000 farm owners. Where 1910 found us with only 10,000 tenants, 1925 found us with 26,000 tenants, or as many tenants as we had full farm owners in 1925.

The value of farm property in North Dakota was decreased by half a billion, decreased from one and a half billion dollars to practically a billion dollars, since 1920. There was more

livestock in North Dakota in 1925 than there was in 1910, and a much better grade of livestock. Yet it is found to be, according to the Federal enumeration, worth less money than was that lesser amount in 1910.

The worth of all farm lands and buildings in North Dakota in 1925 was fixed by the Federal census at \$200,000,000. That means the values held by so-called farm owners in North Dakota. But to what extent are they really farm owners? Against this valuation of \$200,000,000 there exists to-day a mortgage debt of \$82,000,000, or that was what existed in 1925. I know the odds are greater to-day. In other words, 41 per cent of the values held by so-called full farm owners in 1925 in that one agricultural State are mortgaged. Yet we call them full farm owners, according to the Federal census.

What is the cause of this difficulty confronting agriculture to-day? I do not think I will go to any length in discussing that or to do more than repeat what I have already said. The American farmer can go on from now until doomsday producing as he has never produced before, making two blades grow where one grew before, increasing his production on every hand; but, Mr. President, no matter to what ends he goes in that effort, he is going to find himself still on the small end when it comes to balancing up accounts, because so long as men produce and must sell that which they produce for less than the cost of production, there can not be any end other than the eventual decay of that industry which those individuals are following, and unless there can be favors alike upon all the people, where there are favors to be bestowed by the Government, we sound indeed the danger signal.

Mr. SHORTRIDGE. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. SHORTRIDGE. I am very much interested in the address of the Senator. I would be very glad to have him tell us whom he includes under the term "farmer." I do not put the question idly, or to engage in a quibble over words, but I want to know whom he includes under the term "farmer" when he speaks of the farmers of a given State.

Mr. NYE. Of a given State?

Mr. SHORTRIDGE. Yes; within the State of North Dakota or the State of Minnesota or Montana or California or Florida. What is the figure?

Mr. NYE. I labor under the assumption that from a Federal standpoint anyone can be considered a farmer whom the Federal census has considered to be among the 29.9 per cent of the people who are resident upon the agricultural lands of the country.

Mr. SHORTRIDGE. Does that include stock raising and dairying in all its branches?

Mr. NYE. Yes, indeed.

Mr. SHORTRIDGE. It would not include mining?

Mr. NYE. No; not mining.

Mr. SHORTRIDGE. Men engaged in getting something out of the soil of the earth?

Mr. NYE. Tilling the soil, producing from the soil that which the people must have.

What is it that happened to agriculture? A few days ago the senior Senator from Maryland [Mr. BRUCE]—I wish he were in the Chamber now—yes; I see he is in the Chamber—remarked on the floor of the Senate, and he spoke, I think, honest convictions that the whole difficulty confronting agriculture to-day is that occasioned by the fact of inflation during the war, that farm land values had been inflated during the war period and that the farmer had to expect eventually to come down off of that high plane. I think the Senator was thoroughly honest in his assumption that that was the truth of the situation. I think from what I have said here this afternoon that I have disclosed that in the case of at least one State inflated land values contributed nothing to the cause, because there were no inflated land values.

What really happened was this, Mr. President: The war came on, and the Government, this Government, this Congress, the administration at that time, urged the farmer to devote himself to the task of producing more food. He could not produce too much of it; he was assured of that. Then, though he was minus the ordinary help that he had upon his farm, though his sons had been drafted in the service and carried across the seas to conduct the war, he reached out and during that period of high labor prices engaged expensive help. He bought additional expensive, high-priced machinery, machinery which had gone up in price during that period. He did all of that during that period. He bought it because his country urged him to do it. During the period of the war, with all credit to the boys who carried the real brunt of that service, do not overlook the fact that one who contributed very materially to our success in the war was none other than the farmer of America. Not only did he sustain and back up his own



Army, his own boys, but he backed up and sustained virtually every army that was engaged in that war on the side of the Allies.

The farmer engaged during that war in a most desperate undertaking. He left no stone unturned to respond to the appeal by his Government to produce more food. Then came the end of the war, and with the end of the war came a warning within the farmer: "Here, we have had these big years, and we can not expect them to continue. Now, with the war over, we will have to slow up. We had better do some liquidating. We had better get back to normalcy as all people must following a war." But with that warning in his mind the Government of the United States, through its spokesmen, advised the farmer that for years and years to come he was going to have to feed the world; that he could keep right on producing; that he must in all fairness keep right on producing as he had been producing during the war.

With that assurance, and in spite of the limitations which were placed upon him and the comparatively low prices he had had for his products during the war—in spite of all that he continued to respond to that appeal by his Government to produce and continue to produce more food. He carried on to a certain point. What was that point?

He found himself one afternoon going along splendidly. He found himself on the next morning virtually, if not completely, out of the economic picture altogether. What had happened was that here in Washington there gathered a mere handful of men determined that the most essential thing concerning America at that time was the thing of driving America back to normalcy, and that the way to do it was to reduce credit. The way to do it was to withdraw the vast amount of credit which had been extended by the Federal reserve system during that period. So, Mr. Banker, out on the plains and out on the prairies and out in agricultural America generally, had nothing other to do to redeem himself for the easy credit of which he availed himself during the war than to turn to those to whom he had loaned money during the war period. He went to the farmer and explained that the demand was made upon him for repayment of the credit which had been extended during the war. The farmer said, "I suppose I have got to respond, then." So he liquidated as best he could. He had not enough to clean up his indebtedness contracted while he was responding to the prayers of his Government for help during the war time. And so—but some things are perhaps better unsaid, and I think I shall leave that unsaid.

In any event the farmer went back home, took whatever crop was available, and hauled it into market, took it there with the hope and in the expectation that with the return from that crop he could liquidate the greater portion of his debt. He got into a market that had lost its bottom, because that deflation movement had virtually ended the market and killed it, since every farmer in America was dumping his produce upon the market at that time in order that he might liquidate. After all was said and done, after the farmer had moved all his stuff and all his products into the market, he was still way short of being able to liquidate his indebtedness. Then went the equities in the land which he had bought during the war to help his Uncle Sam. Away went the equities in the land. In many cases, in hundreds upon hundreds of cases, there went at the same time the homestead which for 30 and 40 years had been without incumbrance and which, through the sweat of the man and his wife and his children, had been counted by them at one time as their home. But the home went as the result of that deflation program of 1920 and 1921. But that was not the end of it. During that period there was written by all odds the blackest page in all American history.

During the period of the war, when the farmer and all others were doing their utmost to prosecute the war, the urge came to help to finance the war. Few were the farmers who did not respond to the appeal which was made by the Government and by the bankers to buy until it hurt of Liberty loan bonds. Credit was made so easy that the bankers could say, "Here, you do not need to worry about the price of these. Just give us your note for the bond and you can clean it up after a while. That bond you must feel and can always know is as good as gold in your possession any day. You never need worry about that. You can always liquidate a bond indebtedness of that kind. It never need give you any worry."

But in that deflation program, when the stock of the farmer and the grain and the extra land bought during the war and the homestead were not enough to liquidate, then Mr. Farmer went into the bank and into the safe-deposit vault and took out the bonds which he had bought during the war, which he had more often than not borrowed money to possess, and took it to the cashier's window and said, "Here, apply these on my indebtedness." Mr. Banker during that period said to him, "I am

awfully sorry, but I suppose you are well aware of the fact that we can not give you 100 cents on the dollar for this bond." "What? A Government bond, a Liberty loan bond, and I can not have what I paid for it, to say nothing about the interest?" "No; I am sorry, but the market for Liberty bonds is only 75 or 80 or 85 cents."

My friends, that was by all odds the blackest page ever written in all American history, and yet to-day, while the Government of the United States is responsible for the hole in which the farmer finds himself, this same Government declines to give to him that measure of aid which he needs to save himself from further decay. When he asks that a life buoy be thrown out to him, the Congress of the United States or the administration offers instead to throw him an anchor, and that has been the situation for the last four or five years. I insist that if we are to continue to deny to the agricultural people of America that measure of help to which they are entitled, that measure of help which they must have if they are to be saved, if we longer deny that to them we are going to pay the penalty as a nation. The Nation will not pay the penalty prior to the penalty which political parties must pay for longer ignoring the situation.

Upon this particular day, and though I am not affiliated with that party which honors his day, Jackson Day, I want to read to the Senate a quotation attributed to Andrew Jackson:

It is to be regretted that the rich and powerful too often bend the acts of government to their selfish purposes. Distinctions in society will always exist under every just government. Equality of talents, of education, or of wealth can not be produced by human institutions. In the full enjoyment of the gifts of heaven and the fruits of superior industry, economy, and virtue, every man is equally entitled to protection by law, but when the laws undertake to add to these natural and just advantages artificial distinctions, to grant title, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics, and laborers—who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their Government. There are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as heaven does its rains, shower its favors alike on the high and the low, the rich and the poor, it would be an unqualified blessing.

To that might be added the suggestion that if the Government would confine itself to equal protection and, as heaven does its rains, shower its favors alike on the high and low, the rich and the poor, the East and the West, the North and the South, it would be an unqualified blessing. But instead of seeking to give such a fair distribution of favors of the Government here in this country, we continue to ignore the fact that the blessings are all against certain endeavors in the country and all in favor of a very few. In spite of the situation which confronts the country to-day in the matter of unemployment in the great industry of agriculture and the smaller manufacturing and business industries, we are being preached to day after day that this is the most wonderful era of prosperity any nation has ever enjoyed.

Mr. McLEAN. Mr. President—

Mr. NYE. I yield to the Senator from Connecticut.

Mr. McLEAN. I am very much interested in President Jackson's pronouncement, especially with regard to the portion which says that heaven showers its rains equally upon all alike. Is that quite true?

Mr. NYE. I expect that literally it is not.

Mr. McLEAN. Has not the Senator had experiences in North Dakota of a good many—

Mr. NYE. Not the experiences which are generally believed to be true. Some sections of our State do not have as great proportion of rain as others.

Mr. McLEAN. While it falls equally on the just and unjust, it does not fall equally on different portions of the United States, and because of that, and I think possibly other causes, my information is that the Dakota lands do not produce as large an average number of bushels per acre of wheat as some other sections of the country.

Mr. NYE. I think there is no section in the United States that produces a greater abundance per acre of hard wheat than does my State of North Dakota.

Mr. McLEAN. The Senator ought to know, but my information is that during the war the acreage of wheat in North Dakota was greatly extended.

Mr. NYE. It was.

Mr. McLEAN. And that in many portions of the State the production was less than 10 bushels to the acre.

Mr. NYE. I will say to the Senator that it is true that during the period of the World War we were most unfortunate in

North Dakota, striving as the farmers were to respond to the appeal for more foodstuffs. There was a great spread out of farming endeavor, much greater acreage was put in, and the price that was made available at that time was a thing which all were seeking, of course; and yet during that particular period we were most unfortunate in our weather conditions in North Dakota.

Mr. McLEAN. Yes; that is the point I want to bring out. But the Senator would not hold Congress responsible for that?

Mr. NYE. But, Mr. President, what was true in North Dakota in that respect was not true in the other States which are complaining more bitterly, possibly, than North Dakota complains to-day about conditions. Iowa came through consistently with crops during that period, and portions of my own State came through consistently with good crops.

Mr. McLEAN. The point I want to bring out, I will say to the Senator, is the fact that President Jackson was wrong in his declaration that all sections of the country are favored with sufficient rainfall; and, that being so, Congress ought to come to the front and equal, if not exceed, Providence in extending assistance.

Mr. NYE. Virtually all sections of the country get at least a sprinkle once in a while, and in so far as the Government is concerned if it would just let a little sprinkle filter out to the masses of the people of this country there might be some reason to offer thanks.

Mr. McLEAN. We have as yet discovered no way by which we can add to the rainfall of the country.

Mr. McMASTER. Mr. President, I assume that the principal rainfall in the State of Connecticut comes from the tariff system.

Mr. McLEAN. What I should like to know is just what effect the tariff has in its influence upon the deplorable condition from which the farmers insist they are now suffering. I am not saying this in a spirit of criticism at all; I know that environment has a great deal to do with political conviction. I am willing to confess it so far as I am concerned. We have here to-day at least three separate and distinct schools on the tariff question. I think it is important to ascertain who is right, if possible, and what effect the tariff has on the conditions in the agricultural sections.

Up to date there has not been indicated, so far as my observation goes, a single fact that would satisfy an impartial tribunal that any of the tariff rates are too high; that is, that they exceed the difference in the cost of production at home and abroad.

Mr. NYE. Yes; but we do find a very determined presentation here of the claim that, while there may not come from certain sources a demand for lowering of tariff schedules, there has been, and has been for a number of years, a repeated demand made for making effective those schedules which have been written into the tariff law but which are not effective to-day for the farmer.

Mr. McLEAN. To just what schedules now does the Senator refer?

Mr. NYE. Take the wheat schedule; take the splendid protection afforded wheat through the tariff; it does not mean a penny to the wheat producer in the United States. In my State of North Dakota, on the border of the Canadian line, there would be the opportunity, if there were not trade restrictions or barriers of any kind, for the North Dakota farmer living in the United States of America to take his load of wheat into Canada and get more money for it than he can obtain in the United States.

Mr. McLEAN. Admitting all that, how will it help the wheat producer to reduce the tariff duties on industrial products to a degree that will permit an influx of foreign goods? That is the point.

Mr. McMASTER. Mr. President, will the Senator from North Dakota yield to me?

Mr. NYE. I yield to the Senator from South Dakota.

Mr. McMASTER. Mr. President, I assume that the remarks of the distinguished Senator from Connecticut [Mr. McLEAN] all have a bearing upon this particular resolution. Now, I wish to ask the Senator this question: If, in his judgment, there were excessive schedules in the present tariff system would he vote to reduce those schedules?

Mr. McLEAN. No; not at this session.

Mr. McMASTER. But would he vote to reduce them?

Mr. McLEAN. Of course, I would do so when the tariff should be revised.

Mr. McMASTER. In other words, then, the Senator from Connecticut agrees with this resolution—

Mr. McLEAN. Oh, no.

Mr. McMASTER. That if there are excessive schedules they should be reduced, and he would vote to reduce them. That is the fundamental part of the resolution. The only difference between the Senator from Connecticut and those who are supporting the resolution is that he does not want to interfere with the interests of political parties at this time, but that later on he is willing to reduce the tariff schedules.

Mr. McLEAN. Mr. President, I think the Senator, at least, ought to make out a prima facie case that there is one schedule that is excessive before he calls upon the Congress of the United States to reduce the tariff. We all know what tariff revision means. I do not now wish to discuss the tariff question, but I have been through two tariff revisions, and I know what tariff revision means. In the last revision we had some 40 experts who labored diligently for more than four months to try to ascertain the difference between the cost of production at home and abroad, and I want to say to the Senator that in no single instance did the Committee on Finance approve a rate in excess of the evidence which was produced before the committee indicating the difference between the cost of producing the article at home and abroad.

Mr. McMASTER. Mr. President, may I ask the Senator what evidence was presented to the Committee on Finance of the Senate to justify the committee in establishing the schedules upon aluminum products? I have gone carefully through the testimony of the Finance Committee, and I fail to find there any evidence that was presented to that committee, at least in open session, that would justify the rates which were accorded to aluminum products.

Mr. McLEAN. Mr. President—

Mr. NYE. Mr. President, if this colloquy is going to be prolonged, I should like within two or three minutes to close what I have to say.

Mr. McLEAN. I think the Senator from North Dakota is right about that; I think he is entitled to finish his address, I am very glad, however, that the Senator from South Dakota brought up the question of aluminum.

Mr. NYE. If the Senator from Connecticut wishes briefly to answer the question of the Senator from South Dakota, I would certainly let him incorporate his answer right now in my remarks.

Mr. McLEAN. I prefer to do it later; but I will say that the Senator from New York [Mr. COPELAND] yesterday called attention to the tariff rates on aluminum, and I think he made an estimate as a climax to his speech that on an article costing something like \$4.50 which his wife had purchased the tariff tax was considerably more than \$2. I want to say now that I think it is to be regretted that a United States Senator when he discusses a subject of this importance should not take the trouble to attempt at least to secure information that will enable him to discuss it without advertising the fact that he is absolutely ignorant of the subject. I will undertake in my own time to call the attention of the Senate to the fact that the tax estimated by the Senator from New York is more than double the amount that the facts will warrant.

Mr. NYE. Very well, Mr. President. As I said at the outset, I did not wish to undertake at this time to argue with those who contend that the resolution before us is not choice at this particular time, but I wanted only to say that it sounded and expressed the attitude of a great mass of our population in America to-day who, seeing, day after day and year after year, a great flow of prosperity into a few individual corners to a few powerful corporations, while they themselves are left without a chance, seemingly, to make their best efforts win them a reasonably fair return for their endeavor, are not going to stop to quibble about any little niceties and about the fine words that may be said in support of certain schedules in the tariff law, but they are going to seek that means of elevating themselves to the higher plane which protected industry enjoys. They are going to be quite blind to anything else, I might say to the Senator, and are going to be determined, as a last resort, to tear down the props that will bring all industry down to a plane which is occupied to-day, I think I am safe in saying, by a majority of the people of the United States.

Mr. McLEAN. Mr. President, has the Senator ever given consideration to what the effect of that program would be upon the 40 per cent of the Dakota farmers whose farms are mortgaged?

Mr. NYE. I have. Mr. President, I do not think, come what may, that the farmers of North Dakota or of any other agricultural State in the Union can be deflated or injured any more than they are injured right now. For the most part, the farmer retains so small an equity in comparison to the whole value of his property that he is really not seriously concerned,



unless he can be given a chance to come back. I can see dangers along the path of a program which might find us destroying the structure which has been erected in this country, but I believe that any amending of the tariff that is undertaken must be undertaken gradually; must be accomplished very slowly and cautiously. However, I am speaking now for people who are not much concerned about anything but their own condition.

Mr. McLEAN. Mr. President, that reminds me of the days in the eighties when the farmers were just as certain that greenbacks would remedy their troubles as they are certain now that a cut in the tariff will remedy their troubles. Then in the nineties they were just as certain that the free and unlimited coinage of silver at the ratio of 16 to 1 was the specific for their disease. But saner counsels prevailed. I do not quite believe the Senator from North Dakota wants to engage in an endeavor that will bring disaster to all the American people. He must know that when prices are cut in two the debts of the debtor class are doubled; the national debt is doubled, and the mortgage of every Dakota farmer is doubled. Those mortgages are not reduced; interest on those mortgages is not reduced; but it would take 2 bushels of wheat to raise the same amount of money that 1 bushel of wheat would raise before; and if we should double the production of wheat in this country I am afraid the Senator would have some difficulty in stabilizing the price, even if Congress were unanimous in its sympathy with him.

Mr. NYE. Very well; but the Senator will agree, then, that if these dire things are in store for us, if there is to be undertaken a program which will bring that about, we had better devote ourselves to satisfying the demand which does exist to-day for making effective the tariff upon all people alike.

Mr. McLEAN. O Mr. President—

Mr. NYE. If there is a tariff schedule which is not operative as to the great mass of the people of this country it had better be made effective.

Mr. McLEAN. The Senator must realize that the spread between the retail price of an article and the price which the manufacturer receives is so wide that the tariff has little to do with the cost or the price to the consumer, and he himself must realize that he is on the wrong track entirely when he thinks that the reduction of tariff rates below a reasonable protection will benefit the farmer. The price of wheat can not be pulled down faster than by reducing the purchasing power of the men and women who eat wheat.

Mr. McMASTER. Mr. President—

Mr. NYE. I yield to the Senator from South Dakota.

Mr. McMASTER. All of the opponents of this resolution assume that the rates are to be cut so low that industry is to be injured, that labor is to be thrown out of employment. That is not the proposition back of this resolution. The resolution starts out with an assumption of fact that there are certain excessive schedules, and if the excessive schedules shall be reduced it will increase the purchasing power of the masses. If it is true that there are excessive schedules, and those excessive schedules shall be reduced, will that not increase the purchasing power of the farmer?

Mr. McLEAN. But before we engage in this dangerous operation, let us ascertain the facts.

Mr. McMASTER. The only way to ascertain the facts is to pass the resolution, start the tariff revision, and have your investigation.

Mr. McLEAN. Mr. President, we already have a law by which—

Mr. McMASTER. No; if we wait for tariff revision to find out any of those things it will be a thousand years before we can have tariff revision.

Mr. McLEAN. The law to-day provides that the tariff on any one of these articles can be cut 50 per cent provided you can satisfy the Tariff Commission that the cut is legitimate—that is, that the existing tariff exceeds the difference in the cost of production at home and abroad. Is there any evidence here that one single effort has been made, one single appeal has been brought to that commission to ascertain whether or not a rate is excessive?

All the law you need under any circumstances you have. You say it will not operate. You do not know whether it will or not, because you have not tried. Certainly you ought to be willing to trust the instrumentalities of this Government to a sufficient extent to attempt to apply a law that will give you absolute relief if it is justified.

Mr. McMASTER. Mr. President, we may get relief from the Tariff Commission and we may not get relief from the Tariff Commission. I have not any too much confidence in that kind of relief; but when I take the hearings of a committee of which the distinguished Senator from Connecticut was a member and

search through the records of those hearings to obtain evidence that warranted the committee in writing certain schedules into this tariff act, and I find that the evidence is not there in open hearings, it would rather lead one to believe that possibly the leaders of the industries came to certain members of the committee and said, "This is what we want"; and they certainly got what they wanted; but they did not present the evidence in the open hearings before that committee.

Mr. NYE. Mr. President, if I may be permitted to finish my remarks, this discussion between the Senator from South Dakota and the Senator from Connecticut can proceed in their own time.

Mr. McLEAN. I hope the Senator will just let me reply.

Mr. NYE. Will it be brief, Mr. President?

Mr. McLEAN. Very brief.

Mr. NYE. And not invite any further debate at this time?

Mr. McLEAN. Very brief, I assure the Senator.

Mr. NYE. Very well.

Mr. McLEAN. I do remember, and remember distinctly, that when we adjusted the schedule which related to agricultural products we did not make any very definite investigation. We took the word of the Senators who at that time represented the agricultural bloc; and it is my definite recollection that in every single instance we gave to the representative of the agricultural bloc the rate that he requested. I myself had something to do with the rate on cheese, because I was told by a Senator from the Northwest that he thought the rate on cheese ought to be so and so, and it was adjusted to suit him. The rate on butter may have been a trifle low, but it has been increased since by the President.

Why lose faith until you have tried? You would be in a much stronger position here to-day, gentlemen, if you could show that in the case of these rates that you suspect are excessive you had gone to the Tariff Commission and requested a reduction. If you think that anything was done by the Committee on Finance that should not have been done, that anything was done behind closed doors that should have been done with doors open, take your case to that commission. If they turn you down, then come to Congress and give us the reasons for a change.

Mr. McMASTER. Just one moment, Mr. President, and then I shall be through.

In regard to agricultural products, the distinguished Senator says that not much testimony was taken.

Mr. McLEAN. We gave the farmers all they wanted.

Mr. McMASTER. The representatives of every farm organization in America appeared before that committee. Your report upon agricultural commodities is comprehensive as to the tariff schedules that they wanted. The distinguished Senator from Connecticut was a member of the committee. The producers of 14,000,000,000 pounds of milk went before the committee and asked for a schedule of 3½ cents a gallon, and your committee gave them 2½ cents. They asked for a duty of 10 cents a pound on butter, and you gave them 8 cents. They asked as high as 10 cents a dozen on eggs, and you gave them 8 cents. They asked for a higher duty on rice, and you cut that down. They asked for a higher duty on peanuts, and you cut that down. They asked for a duty upon hides, and you gave them a small duty upon hides, but that was knocked out here in the Senate. As a matter of fact, the Finance Committee cut down nearly every schedule that the agriculturists of America asked for. Far different, indeed, was the treatment accorded the industrialists.

Mr. McLEAN. Mr. President—

Mr. NYE. I can not yield any further. I promise the Senator that within a very few minutes he can have the floor and take all the time that may be required.

Mr. McLEAN. I simply wish to say that the Senator from South Dakota is entirely mistaken.

Mr. NYE. I have set out this afternoon to express the wish of the agricultural people of the United States to be given an equal balance of favor in so far as favors of Government are concerned, and so far as those figures can be given. I am sorry, and I think it is most unfortunate, that there should be as many people as there are in the frame of mind which holds that everything is just as it ought to be and can not be improved upon, that we are living in a wonderful era of prosperity and surplusage. To sum up the whole matter, I would only say that I hope we can come to face the facts as they really exist to-day, and, in facing those facts, give them the consideration which they merit when we are acting upon the important legislation which is before us.

The entire question is pretty well summarized by the editor of a little paper published out in Pasadena, Calif., known as the American Atlas, in an open letter addressed to the President

of the United States—and it might as well have been addressed to the Congress of the United States—in which he says this—

[From the American Atlas, Pasadena, Calif.]

PASADENA, CALIF.

President CALVIN COOLIDGE,  
Washington, D. C.

DEAR MR. PRESIDENT: Recently there were three holdups, one murder, two automobiles stolen in Pasadena, and I have just received word that an aqueduct has been blown up near here.

Inasmuch as our Nation has marines in China and Nicaragua to protect American lives and property, I ask that a troop of marines be stationed here in Pasadena for the same purpose.

The Standard Oil Co. has several stations and a depot here, which the marines could protect, making them feel entirely at home.

The schools of Los Angeles are forced to feed 3,000 starving children. May I have copies of your speech, in which you said that the farmers had raised too much foodstuffs? I would like to distribute this speech among these children.

If it is not asking too much, I would also like to have copies of Mr. Mellon's speech in which he announced that we were in the midst of a great wave of prosperity. I would like to distribute this speech among the parents of these 3,000 children. If you have any extra copies, please forward for distribution to the 80,000 unemployed of Los Angeles.

Yours for continued prosperity, less food, and more marines,

THE EDITOR.

MR. WALSH of Montana. Mr. President, the resolution under consideration was introduced by the Senator from South Dakota [Mr. McMASTER], who comes from the very heart of the great agricultural section of this country—at least, from the heart of the grain-growing section. I have abundant reasons for knowing that the people of that section of the country are wedded to the principle of protection to American industries; and I have no doubt at all that the Senator who is the author of the resolution shares fully in the views of his constituents in relation to that particular subject.

I do not think the resolution as originally introduced was at all subject to the construction which seems to have been given to it in some quarters, namely, that it called for anything like a horizontal reduction of all the schedules or rates. It evidenced a desire for a revision of the tariff, and a study again of the schedules as they exist in the present law, with a view to reducing those that could be reduced with safety to industry.

The agriculturists of the country have abundant cause for the restiveness which they have exhibited and the discontent which prevails among them, evidenced by this resolution. Although a kindly Providence has favored the Northwest this year with abundant crops, the industry of agriculture is still carried on under a most decided disadvantage. Figures given me by the Bureau of Markets of the Department of Agriculture only a few days ago show that with respect to commodities generally the average prices have advanced from the standard of 100 between 1909 and 1913 to 151, while the prices of farm products generally have advanced only to 132. That is to say, while farm prices have risen on an average 32 per cent, the prices of commodities generally have gone up 51 per cent. So, Mr. President, the same quantity of agricultural products which in 1909 to 1913 would buy \$100 worth of other goods will now buy but \$86 worth of those goods.

It was really begging the question for the distinguished Senator from Utah [Mr. Smoot] the other day to discuss the question of the purchasing power of the farmer's dollar, saying that the farmer's dollar had exactly the same value as any other dollar. Of course, literally, that is true; but the expression very tersely indicates the idea now generally understood, that the farmer is operating under a disadvantage of at least 14 per cent as against other industries in this country—a disadvantage so oppressive as that any industry which labors under it must suffer from the severest depression, if, indeed, it is not headed for bankruptcy. It presents a problem of so serious a nature that it has always been a matter of astonishment to me that those Representatives who come from the industrial section of the country exhibit so much indifference with respect to it.

It is retorted, however, that the farmer is protected by duties upon most, or at least many, of his products. Even the item of wheat is referred to in this connection, and the farmer is told that he has a tariff of 42 per cent upon the production of wheat. The distinguished Senator from Indiana [Mr. Watson], in the course of his remarks on Tuesday, quite frankly admitted that with respect to any of these agricultural prod-

ucts, of which we produce a surplus, which must find a foreign market, the tariff is almost altogether entirely ineffective.

Indeed, Mr. President, that principle is the basis of the so-called McNary-Haugen bill. If the tariff upon agricultural products, and particularly on wheat, were effective, there would be no occasion for the relief which it is sought to secure by that legislation. By consulting the reports upon that measure in both branches of the Congress it will be found that it is there stated that to a large extent the tariff upon agricultural products is ineffective, and that gives occasion for the legislation.

My esteemed friend the Senator from Iowa [Mr. Brookhart], in the course of some remarks a few days ago, told us that the Canadian farmer is now getting for his wheat 25 cents a bushel more than the American farmer receives, or thereabouts, notwithstanding the tariff. I do not find the statement to be supported by the figures given me by the Department of Agriculture, but it is true that the tariff upon wheat is, as shown by a comparison of the prices in Winnipeg and Minneapolis, without any value whatever to the farmer. I find, for instance, that during the months of September, October, and November, during which the very largest proportion of the wheat produced in the Northwest finds the market, the price was practically the same in both of these markets. There has been a little spread in the month of December, but of no very great consequence. For instance, the average price of No. 1 hard dark northern spring in the month of September was \$1.44 in Minneapolis. In Winnipeg the same No. 1 hard dark northern spring was \$1.45. During the month of October the No. 1 hard dark northern spring was \$1.45 in Minneapolis, and in Winnipeg it was \$1.44. During the month of November the average price of No. 1 hard dark northern in Minneapolis was \$1.43, and in Winnipeg it was \$1.45. In the month of December the average price of No. 1 hard dark northern spring in Minneapolis was \$1.48, and in the month of December in Winnipeg the average price was \$1.40.

That was not only the condition during the season just passed, during the year 1927, but the prices were practically the same during the preceding year, 1926; and on the day on which the Senator spoke, the 13th, the spread between Minneapolis and Winnipeg was a matter of 6 cents, the price in Minneapolis being \$1.43 and in Winnipeg \$1.40.

MR. BROOKHART. Mr. President, will the Senator yield? The PRESIDING OFFICER (Mr. Frazier in the chair). Does the Senator from Montana yield to the Senator from Iowa?

MR. WALSH of Montana. I yield.

MR. BROOKHART. My quotations were taken from the daily quotations in the Chicago Tribune, which showed that on September 8 No. 1 northern in Minneapolis was \$1.33 to \$1.38, and in Winnipeg \$1.52½, a spread of 14½ cents. On November 16 the same grade is reported in the Chicago Tribune as selling for \$1.24 to \$1.30 in Minneapolis, and for \$1.50½ at Winnipeg, making a spread of 20 cents. In the meantime the Canadian Railway Commission, on the 12th of September, had lowered the freight rates on wheat to the seaboard points. So I think when we get it figured out on the actual grades, wheat was a little higher at Winnipeg than at Minneapolis, taking the same grade.

MR. WALSH of Montana. The Senator from Iowa and I will no doubt agree, at least, that so far as the marketing of the great bulk of the wheat raised in the Northwest is concerned, the tariff is utterly ineffective.

MR. BROOKHART. We agree absolutely on that proposition.

MR. WALSH of Montana. So the retort that the farmer is protected by a tariff on his products as well as the manufacturer has very, very little force.

Those who were here when the tariff bill of 1922 was under consideration will recall very well that both Senator Penrose, who had it in charge in the early stages, and Senator McCumber, who took charge of it later on, declared that the conditions at that time were so variable in character, changing with the changing of the hours, that it was next to impossible, if it was not entirely impossible, to arrive at any rate which could be really justified. They said that a rate which would be entirely adequate to-day, by reason of the changing conditions, would be found entirely too high to-morrow, and that a rate which was adequate to-day would be found entirely inadequate to-morrow, by reason of the change in conditions through which we were going at that time.

MR. BORAH. Mr. President, the Senator will recall, doubtless, that during the pendency of the bill changes of rates were



brought in by the committee, based upon the fact that changes had taken place in the economic world within a few days which necessitated changes in rates.

Mr. WALSH of Montana. Quite so. So that these gentlemen, in the presentation of this bill to the Senate, frankly admitted that with respect to many of these schedules the rates were placed so high as to meet any conditions that might arise, and then they inserted the so-called flexible provisions of the bill, in order that the excesses might be corrected, or, if inadequacy should be shown, that the rates might be raised.

Particularly at that time, it will be recalled, the German mark had fallen in value so that the payments to German laborers in marks had fallen to the very lowest possible limit; and it was represented that because the Germans were able to get labor at so low a figure, due to the depreciation of the mark, American manufacturers were likely to be driven entirely out of business by the competition likely to ensue from Germany; and there was very much force in the argument. But, of course, since that time things have undergone all manner of change, not only in Germany but in all the countries of Europe where the monetary systems have been stabilized, and some of them have gone to the gold standard. It is because of these conditions that there is a demand quite general throughout the country, reflected in the resolution which is now under consideration, for a revision of these schedules. Anyone who will attempt to recall the conditions under which this law came into effect will, I believe, be surprised that five years have gone by—almost six years—without the change which it was expected would be effected in these schedules within a very brief time after the law came into force.

What is the answer that is made to this demand for a revision of these schedules that were adopted under those conditions? It is suggested that somebody wants to destroy the whole protective system; that the American farmers' American market is to be entirely surrendered, as though it were proposed by anybody to wipe out all customs duties entirely, protective or otherwise, and go on an absolute basis of entire free trade. That is a perfect evasion of the question as to whether the time has not come when many of these schedules ought to be revised, in view of the changed conditions which have ensued.

Not a little has been said thus far, Mr. President, about the duties upon aluminum. Having given some little consideration to that particular item, not only when the tariff bill of 1922 was under consideration but since then, I feel that I might be able to shed a little light upon the advisability of an immediate revision at least in that particular schedule.

The duty on crude aluminum ingots or pigs was raised from 2 cents, as it was under the Underwood-Simmons law, to 5 cents, and upon sheets and coils from  $3\frac{1}{2}$  cents to 9 cents. Let us see what was the operation of that change in the law.

The Federal Trade Commission having given to this subject a very careful study, tells us as follows. I read now from page 89 of the report of the Federal Trade Commission on the house-furnishing industry, submitted to the Senate in the year 1925:

The efforts of the Aluminum Co. of America, which were not opposed by the consumers of aluminum ingot and sheet, resulted in an increase in the duty on ingots from 2 cents to 5 cents per pound, and on "coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares, from  $3\frac{1}{2}$  cents to 9 cents per pound." The act went into effect September 22, 1922. The Aluminum Co. of America increased its price of ingots on September 26, 1922, from 20 cents to 22 cents per pound, and on November 1, 1922, the price was again increased to 23 cents per pound. Thus, in a little over one month after the tariff went into effect, the entire increase in duties on ingot aluminum was reflected in the price to the consumer. The price of sheet aluminum was also increased on September 26, 1922, and November 22, 1922, aggregating 3 cents per pound against  $5\frac{1}{2}$  cents per pound increase in the tariff duties.

There was an increase of 3 cents per pound upon ingots or pigs.

I wonder if there is any conception among the Members of the Senate as to just exactly what that increase in price of 3 cents per pound on aluminum meant to American consumers? Since that time the consumption of aluminum has increased very largely. Every manufacturer of household utensils, and particularly every manufacturer of automobile bodies, was called upon to pay 3 cents a pound more for his aluminum on account of this duty as here disclosed.

I have caused a computation to be made and I find that since that time that increase has cost the American people, assuming the increase to be 3 cents per pound, not less than \$800,000, and the duty upon sheets and coils unquestionably was at least a

million dollars. All this goes to the Aluminum Co. of America, the only producer of crude aluminum in this country. Every dollar of it goes to that company, a gift to the company.

That company is also engaged, or at least one of its subsidiaries, the Aluminum Manufacturers Co., in the production of household utensils manufactured from aluminum, upon which, as we were told by the Senator from South Dakota [Mr. McMASTER], there is a duty of 11 cents per pound and 55 per cent ad valorem. I have no doubt at all that it realized from that source as much as it did from the other two sources combined. So that this has amounted to a gift to the Aluminum Co. of America, of which Andrew W. Mellon, the Secretary of the Treasury, is the controlling figure, of not less than \$3,000,000 to \$5,000,000. And for what?

The Senator from South Dakota [Mr. McMASTER] has told us that no evidence of any kind was submitted to the committee of either House justifying any increase in the duty on aluminum.

Mr. BRUCE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Maryland?

Mr. WALSH of Montana. I yield.

Mr. BRUCE. May I interrupt the Senator to inquire if he does not think that that fact furnishes a very excellent reason why the power to fix import duties should be lodged in a tariff commission, subject to the approval of Congress in each instance? In that event there would be testimony. The commission would have at its disposal a corps of trained experts, to begin with, and it would be a part of its duty to take the fullest testimony with reference to the expediency of any particular tariff duty. Then, after it had fixed the duty, the duty would be subject to the approval or disapproval of Congress. In other words, the duty would be reported to Congress and unless Congress disallowed it within some fixed time it would automatically go into effect.

I am curious to know how the Senator feels about this proposition, because he has had great experience in relation to the tariff and the enactment of tariff laws. It seems to me that it might lead up to an ideal state of affairs. The organization of such a commission would be followed by the fullest opportunities for taking testimony in regard to tariff duties. The public is in no position to know whether a duty is excessive or not. Possibly we can not hope for a tariff system administered by a tariff commission, closely similar in point of organization and otherwise, to the Interstate Commerce Commission. But I will say to the Senator that the special tariff investigating committee which was appointed by this body is about to report, and so far as the trend of the members of the commission, both Democratic and Republican, has become evident, it has, I should say, been in the direction of such a commission.

Mr. WALSH of Montana. I do not like to be diverted from the course of the argument I am making to discuss with the Senator now the question of the advisability of a tariff commission having power to fix rates subject to revision by Congress.

Mr. BRUCE. My interruption was rather untimely, I admit.

Mr. WALSH of Montana. That subject is one which has been debated over and over again in the Congress of the United States. Something like 20 years ago the ideas of the Senator from Maryland were elaborately discussed and many eminent statesmen and economists advocated the idea now advanced by the Senator. It never, however, had the approval of the leaders of either political party in either House of Congress. The present Tariff Commission, however, is authorized to go almost as far as the Senator has suggested. That commission is supposed to be equipped with experts. It is supposed to study every schedule in the act. It is supposed to accumulate all possible information with respect to matters. When we had the bill of 1922 under consideration it gave us such information as it could command with respect to practically every item in the bill, and with respect to most of them the Congress of the United States paid no attention whatever to the recommendations of the commission.

Mr. BRUCE. Of course, the Senator is aware of the fact that the commission as at present organized simply reports the results of investigations to the President, and, as I conceive it, the President is the very last person in our entire political organization who should have anything to do with the tariff.

Mr. WALSH of Montana. I agree quite fully with the Senator.

Mr. BRUCE. Then again I imagine undoubtedly a good deal of this opposition to the Tariff Commission is due to the fact that, of course, there are some selfish considerations by a considerable part of the Republican Party that it should be merely a continuation of the old system of fixing tariff duties, because we all know that one of the effects of the Tariff Commission is

very considerably to increase the capacity of very wealthy Republicans to make handsome contributions to the Republican funds from time to time as such contributions are needed.

Mr. WALSH of Montana. I may say to the Senator from Maryland that when the tariff bill of 1913 was under consideration I made a very determined but vain effort to induce my colleagues to put in a provision for the appointment of a tariff commission. I failed, but it was only three years afterwards when the present commission was created. That it has not met the expectations of most of us need not be elaborated.

Mr. BRUCE. I think it is of very little use as organized at present. All the revisions have been upward and none downward, and the commission finds it very difficult, no matter how honorable its motives may be, to resist the personal views of the President in regard to fixing the tariff rates. I think the flexible provisions of the tariff law should be repealed, and I think the President ought to be completely eliminated from any connection at all with the fixing of tariff duties. I am obliged to the Senator for recording that fact to which he has just referred.

Mr. WALSH of Montana. I was endeavoring to call the attention of the Senate, when the interruption occurred, to what there was before the committees of the Congress upon which the rate was fixed. Mr. Davis, representing the Aluminum Co. of America, came before the House Committee on Ways and Means and said to them:

We are asking a tariff only to compensate for the difference in the cost of manufacture between Europe and this country, and that on pre-war or normal conditions. It is impossible to say what the actual condition is under these abnormal conditions, but under pre-war conditions we estimate that the difference in the cost of manufacture is about 7 cents per pound, which was the duty that we had under the Payne-Aldrich Act.

That is to say, in the year 1922 the same rate was asked as was given by the act of 1909, the investment in the industry meanwhile not being taken into consideration at all. He frankly stated that they had not any basis upon which the fact could be determined.

But, Mr. President, it will be observed that while a tariff was asked equal to the difference in the cost of production at home and abroad, no figures whatever were given as to what it cost to produce this article either in this country or abroad; at least no information was given to the Congress upon the subject. We find, however, in a bulletin gotten out by the Tariff Commission that they did have before that body some evidence from the Aluminum Co. of America of the cost of producing their product here. I read from page 41 of the Tariff Information Surveys on the articles in paragraph 143 of the tariff act of 1913, speaking of the cost of the manufacture of aluminum:

Detailed cost figures for 1917 covering the making of aluminum from the mining of the ore to the remelted ingot are in the confidential files of the Tariff Commission. These figures were submitted by the Aluminum Co. of America to the committee on raw materials, Council of National Defense. In the tariff hearings before the Committee on Ways and Means of the House of Representatives, prior to the act of 1913, a brief submitted by Julius Hess & Co., of Chicago, gave the cost of 1 pound of aluminum metal at 12 cents in the United States and 6 cents in Germany at that time.

The current price of aluminum is 27 cents. It has been held at that figure, although it was but 22 cents at the time the present act was passed. It has practically remained at the figure of 27 cents since that time. I can furnish the Senate with some information concerning the cost of producing aluminum.

If Senators will turn to page 4387 of the CONGRESSIONAL RECORD, volume 67, part 4, of the Sixty-ninth Congress, they will find there inserted an article from the Mining Journal of January 30, 1926, written by Robert J. Anderson, of Cleveland, Ohio, bachelor of science, metallurgical engineer, and doctor of science. The article discloses that the writer is thoroughly familiar with this particular subject. He tells us—and I read from page 4387:

Calculations for the production cost of aluminum have been made many times by those competent in the business. Thus Debar gives the cost for German practice as about 16 cents per pound, including interest and investment and amortization of plant. Clacker, of the British Aluminum Co. (Ltd.), has quoted the figure of 12 cents. Collet has given 8.6 cents for Norwegian practice, Nissen has given 12 cents for European practice in general, and Lodin has quoted 11 cents per pound. Calculations by the writer for American practice show 13 + cents, which is amply high.

It costs 13 cents a pound to produce aluminum in this country and the current price of that article is 27 cents. When it was 22 cents per pound and it cost 13 cents a pound to produce

it, Congress then added a duty of 3 cents more per pound, without any justification whatever, as I have attempted to show.

Mr. President, I challenge any Senator upon this floor to stand here and attempt to make a justification of these rates. They are nothing more than a pure gift to the Aluminum Co. of America of anywhere from three to five million dollars a year. Senators will bear in mind also that that company is the sole producer of aluminum in America—a perfectly ironbound, copper-riveted monopoly.

Then, another thing, Mr. President. It is not pretended that there is any other element in the cost of producing these articles making the cost in this country greater than it is abroad except the labor cost. Here are the ingots or pigs upon which there is a duty of 5 cents per pound. Those pigs are rolled into sheets; they are simply passed through a rolling mill and come out in sheets instead of in the shape of pigs or ingots. I undertake to say—and I challenge anybody to demonstrate to the contrary—that it does not cost all together 4 cents per pound to roll the ingots of aluminum into sheets, not to speak about the difference in the cost of doing that work in this country and abroad.

Of course, if there were any mills in this country that were engaged in the production of sheets out of ingots they would be entitled to a compensatory duty equal to 5 cents a pound; and then they would have an additional duty of 4 cents on top of that simply for rolling the ingots into sheets.

Mr. President, how can a thing like that be justified? I should think that gentlemen here who are attached to the principle of protection, who believe that it is a sound policy, who insist that it ought to be preserved, would hasten to remove these excrescences from the tariff law.

However, Mr. President, whatever may be the cost of rolling ingots into sheets, what part of that entire cost must be attributed to the labor that is employed in it? As a general rule, upon manufactures of this kind the entire labor cost rarely exceeds 20 per cent, and the difference between the cost of labor in this country and abroad can be only a small fraction of that 20 per cent.

Mr. President, I said to the Senator from Maryland [Mr. BRUCE] that, notwithstanding the fact that the Tariff Commission had furnished us with all manner of information upon these subjects when we had the tariff bill under consideration, the necessary deductions from the facts they gave us were entirely disregarded in fixing these rates. In the case of most articles the entire labor cost was given and the rate fixed often exceeded the entire labor cost, not to speak about the difference between the cost of production in this country and abroad.

At the time this matter was under consideration the Chicago Tribune, one of the great Republican newspapers of the country, called attention to the injustice and the wrong and the oppression of this particular schedule, and then stated that it was altogether likely that similar injustices could be found in many of the schedules in the bill. Anyone who knows anything about the course of the passage of that act can not doubt that that is the case.

Mr. President, I insist that the revision called for by the pending resolution ought to have taken place years ago; and I think it is occasion for wonder that the Representatives from the sections of the country which have suffered so seriously and been so seriously oppressed by these heavy rates have not long ere this asked for a revision, as is contemplated by the resolution under consideration.

Mr. BORAH. Mr. President, I can neither vote for nor against the pending resolution and thereby express my view as to the situation, which fact seems to necessitate a word from me more in the nature of an explanation of my vote than an attempt to discuss the subject itself.

I voted against the present tariff law at the time of its passage. I voted against it for two reasons. I thought, in the first place, that there were a number of the schedules which could not be defended upon what I conceived to be the proper theory of protective duties. It is my view that when an honest, thorough investigation is made to ascertain the difference between the cost of producing an article in this country and the cost of producing it abroad, the correct theory of a protective tariff is that the duty should express that difference. It seemed to me that a number of the duties in the bill were far in excess of that rule. I quite agree with the statement made by the Senator who has just taken his seat [Mr. WALSH of Montana] that it is quite as much the duty of those who believe in the protective system to guard against those mistakes as it is the duty of those who are entirely opposed to the system.

Naturally, therefore, Mr. President, having voted against the bill because of what I conceived to be errors in it in that



respect, I am sympathetic with the resolution which would urge a revision of the present tariff law, and, in so far as the resolution urges a revision or expresses the desire for a revision, it has my sympathy. I do not want, however, to vote for a resolution which would commit me to what might be called the doctrine of a horizontal downward revision. I am particularly opposed to that, in view of the situation which the agricultural interests occupy under the present tariff law or under any tariff law which might be enacted.

My second objection to the present tariff law was and is because of what is known as the flexible-tariff provisions of the law. If those provisions of the present tariff law are not in contravention to the Constitution of the United States, then I have studied that instrument and our whole theory of government in vain. I think it is a wrong principle. If there was anything about which our fathers were primarily concerned, it was to keep wide apart the sword and the purse and not permit them to be in any sense under the control of the same individual. We have gone a long way, Mr. President, toward giving to the Commander in Chief of the Army and Navy of the United States the power to control the revenues of the Government. It is not a conclusive step, but it is an important step; and, in so far as it is a step at all, it is a vicious one. I feel that the President, the chief executive officer of the Government, regardless of who he may be or what party he may represent, should have no power or authority with reference to fixing tariff duties upon imported articles, save such as is given him in his authority to sign or veto measures passed by the Congress.

If we can give to the President of the United States the power to increase or decrease rates of duty to the extent of 50 per cent, we can give him the power by the same authority to increase or decrease them 100 per cent, and we can place in the hands of the Chief Executive what, in my judgment, is a sufficient control of the revenues of the Nation to make that control effective as to the amount of revenue which shall be collected.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. BORAH. Certainly.

Mr. CARAWAY. If the President may change the rates of tariff duty, he may likewise change the rates of taxation on incomes or anything of that kind, may he not?

Mr. BORAH. I should think that the same authority, if it could be found anywhere in the Constitution, which would authorize him to do the one could authorize him to do the other.

It is true, Mr. President, that the Supreme Court of the United States in what is known as the Field case went a long distance in justifying the delegation of what seems to me legislative power; it certainly went further than most members of the profession anticipated it would go before the decision had been rendered; but in that case the court clearly intimated it had gone the full distance. In this matter, however, we have gone an arrow's flight beyond the point which was held constitutional by the Supreme Court in the Field case. It is not only wrong as a constitutional principle, but it is undesirable in practice. I shall not detain the Senate by a discussion of the present Tariff Commission and the present flexible provisions of the tariff act as reflected in the work of the Tariff Commission, but I would deem it of great advantage if the Finance Committee would bring in a bill at this session to permit us to repeal the flexible provisions of the present tariff act. I should like to remove it from the law and once and for all discard the theory which gave it a place in our revenue laws. I know that there are members of that committee who have had in contemplation doing that thing, and I trust they will permit us to go at least that far in remedying what I think is a very bad provision of the law.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit a question in that connection?

Mr. BORAH. I yield.

Mr. REED of Pennsylvania. I have always felt—this will be a question, not a speech—that the flexible tariff provision as it stands imposed too heavy a burden upon the Executive as a practical matter. Of course, the Senator remembers that the power is delegated subject to strict limits. The President may only make the tariff rate conform to the difference in cost of production here and in the principal competing countries. Would the Senator favor the delegation of that power to some commission in the nature of the Interstate Commerce Commission? That is, would the Senator favor taking the power from the President and conferring it on some semijudicial, semi-legislative body?

Mr. BORAH. Mr. President, I should not want to conclude myself at this time by an answer to that question. Before my

experience with the present Tariff Commission I have always been sympathetic with the view which the Senator indicates; and it might be possible that such a law could be framed that I would be willing to experiment with it. I have come to the conclusion, however, after observing the working of the present Tariff Commission, that, slow as the Congress of the United States is, and inefficient as it is in dealing with details of this kind, Congress could meet and pass a tariff law and discharge all its other business covering an entire session and adjourn more speedily than the present Tariff Commission could pass upon one item of that law. Some two years ago there was a petition filed with the present Tariff Commission to revise the tariff on onions, and they have just now got to a notice of hearing.

I perhaps should not discuss the matter further at this time. I want to reserve a conclusive answer to the Senator's question.

Mr. President, I have no desire by any vote of mine here to indicate antagonism to what I conceive to be a wise protective tariff policy. I have no desire to indicate that it is my purpose at any time to take from the manufacturing interests of our country that which they are really entitled to under the rule which I stated a few moments ago. I would not break down the American market as I conceive it would be broken down by reducing the duties below what it costs to produce in this country and abroad. It is extremely important, however, that we shall not abuse that principle; and it seems to me that in view of the conditions under which this tariff law was framed, and in view of some of the facts which we now possess with reference to some of the schedules, a revision of these duties would not only be the just thing to do but the wise thing to do so far as the protective policy would be involved. What I am most concerned about, however, is preserving the market which is built up under the protective policy exclusively for the farm products of the United States in so far as the farmer of the United States is prepared to furnish them. I regard this as the most vital thing in the whole tariff question at the present time.

Heretofore, and until within very recent years, the protective policy has not been of any direct benefit to the American producer. When I say "direct benefit," I mean that the levying of a duty upon products which we were exporting was of no direct benefit to the producer of those articles. Of course, there has always been a contention, and I sympathize with that view, that notwithstanding that fact there has been an indirect benefit to the American farmer by reason of the fact that we were building up, close to home, a permanent, strong market for his products.

I do not regard that as what I term the direct benefit, but as the indirect benefit. No one has stated that indirect benefit better than Mr. Clay many years ago; and I pause long enough to read a paragraph from perhaps his most noted speech upon this subject. When Mr. Clay spoke we were exporters, and very large exporters, of practically all farm or food products. Nevertheless, he said:

Under the operation of the American system the products of our agriculture command a higher price than they would do without it, by the creation of a home market, and by the augmentation of wealth produced by manufacturing industry, which enlarges our powers of consumption both of domestic and foreign articles. The importance of the home market is among the established maxims which are universally recognized by all writers and all men. However, some may differ as to the relative advantages of the foreign and the home market, none deny to the latter great value and high consideration. It is nearer to us; beyond the control of foreign legislation and undisturbed by those vicissitudes to which all international intercourse is more or less exposed. The most stupid are sensible of the benefit of a residence in the vicinity of a large manufactory, or of a market town, of a good road, or of a navigable stream, which connects their farms with some great capital. If the pursuits of all men were perfectly the same, although they would be in possession of the greatest abundance of the particular produce of their industry, they might at the same time be in extreme want of other necessary articles of human subsistence. The uniformity of the general occupation would preclude all exchanges, all commerce. It is only in the diversity of the vocations of the members of a community that the means can be found for those salutary exchanges which conduce to the general prosperity. And the greater that diversity, the more expensive and the more animating is the circle of exchange. Even if foreign markets were freely and widely open to the reception of our agricultural produce, from its bulky nature and the distance of the interior and the dangers of the ocean, large portions of it could never profitably reach the foreign market. But let us quit this field of theory, clear as it is, and look at the practical operations of the system of protection, beginning with the most valuable staple of our agriculture.

That states the view of the protectionist with reference to agricultural interests as it has obtained and as it has been the doctrine of the Republican Party from its organization and of

the Whig Party prior to its organization. The time is now approaching, however—indeed, it is already here—when the American farmer is receiving and is to receive still more direct benefit from the duties which may be levied upon farm products. The great question is to assure him that benefit. His loyalty to the protective system has earned it, and fidelity to his interest will see that he gets what he has earned in helping to build up this policy.

It is true that in the case of wheat and cotton and hogs we are still exporters; and the direct benefit there does not arise, although I am going to discuss the wheat question with reference to that briefly in a moment. With reference, however, to a vast number of products, all of which enter into and make possible the prosperity of the American farmer, we have now reached a time when we are importing a large amount of farm products which the American farmer is perfectly prepared to supply to the American market.

During the last three years on an average we have imported into this country over \$2,500,000,000 worth of food products which the American farmer is perfectly capable of supplying. I have a list of these products which I may ask to have printed; but, in sum total, they constitute a very large portion of the products of the American farm.

We produce in this country, it is estimated, something like 4,000,000,000 pounds of animal, fish, and vegetable fats, and something like 1,600,000,000 pounds of butterfats. Of course this is an exceedingly important item in the farmer's affairs; and that leaves us about 700,000,000 pounds for exports. Notwithstanding that fact, however, for the last three or four years we have been importing something like 300,000,000 pounds of fats—vegetable fats, but taking the place of those which we produce. There is a large class of business interests in the United States who are interested in securing the importation of these articles. The supply comes from the Asiatic countries, and the amount of the supply is incalculable. The extent to which the vegetable fats could be introduced into this country can only be estimated; but it would absolutely destroy, in my opinion, the home market for the home producer.

According to a statement published in *Annals*, a very respectable authority, we exported in 1898 food products to the value of \$589,988,742. In 1923-24, at a time when the American farmer was hunting for markets, and when he was in that distress which has called for legislation, we imported \$150,000,000 worth of farm products in excess of the exports, covering these items to which I shall refer.

Thus, Mr. President, we have reached a time when the most vital concern of the farmer is to preserve the American market for his products. The present tariff act does not do so. I am not undertaking now to assess the blame. The eastern representatives, as I understand, conceded the schedules prepared by those who represented the western area. I am not about to enter upon that dispute. I am only saying that under present conditions, and by reason of the rapid economic changes in the world's affairs, the present bill does not protect the American farmer. It is one of the items—and a very considerable one—in his present distress.

I sat in this Chamber 16 years ago and heard read from the desk a message from a Republican President advocating free trade for farm products and protection to American manufacturing interests. A few days thereafter I witnessed the leadership of the Republican Party turning to the support of the doctrine that we should have imports free which came in competition with the American farmer and protect the products of the manufacturing interests. It is sometimes said duties do not protect the farmer, but the time had arrived when it was thought otherwise.

I pause to read some of the reasons for this betrayal of what had been the doctrine of the party since its organization. Suffice it to say, by way of explanation of what I shall read, that the design and purpose was to reduce the price of farm products. The time had come when the tariff was a protection to the farm products, and, having arrived, the purpose was to open the markets of the United States to importations from all the agricultural regions of the earth, for Canada was only a beginning.

The President in his message said:

Reciprocity with Canada must necessarily be chiefly confined in its effect on the cost of living to food and forest products. The question of the cost of clothing as affected by duty on textiles and their raw materials, so much mooted, is not within the scope of an agreement with Canada.

The only thing included in the agreement with Canada was that which the farmer produced. Our friends in the East, particularly throughout the New England States, were asking for permission to enter the Canadian market and supply their raw

materials and the food with which to feed their employees, and at the same time were asking protection from the Government for their imports. It was the most pronounced, the most startling, and the most cruel surrender of a policy of a party which has ever taken place, to my knowledge, in the history of the United States. It was not only the surrender of a policy but it was the betrayal of a most loyal constituency.

Senator Root, of New York, said:

Mr. President, there is no one here who believes that there is the least possibility that the people of the United States, until another revolution of sentiment has come, will permit the cost of their living to be increased by the imposition of a duty upon ordinary foodstuffs.

I have never thought that the duties which were imposed upon farm products were of any real general benefit to the farmer.

Therefore he had always supported it.

They have been quite indifferent, affecting only several localities here and there, so long as our production ran far ahead of our consumption. But with the increase of our cities as compared with our farming population, and the using up of our waste lands and the fencing in of old cattle ranges and the reduction of the productive power of our lands, we have about come to the point where the continuance of those duties, instead of being a matter of indifference to the people of the country, would result in putting up the cost of food.

What was proposed to be done in that instance by an open agreement is now being effectuated by the present tariff law. At the present time the products are being admitted into the market under a rule which is in violation of the principle of protection, while in this instance they were proposing an open agreement to that effect.

Here is the New England doctrine at that time:

Massachusetts comes far from feeding itself. In consequence of our extremely small percentage of agricultural workers and the excess of population in proportion to available farm land, the State is mainly dependent on outside sources for its food supply. If, then, we are sure to buy from two-thirds to five-sixths of our food from producers at a distance; if by no possibility we can get whatever advantage might arise from relying on our own farmers to come anywhere near feeding us, no obligation prevents us from seeking to buy in the cheapest market available.

Extension of Canadian reciprocity in the matter of manufacture is, in our belief, for the present out of the question.

These will, at least, not be discouraged—

That is, the manufacturers—

if we can make it possible for our people to buy their food in the cheapest market. If Canada chances to profit by supplying our needs to some small extent, so much the better both for Canada and for ourselves. But there is no reason why we should restrict our new purchases to Canada. If Mexico or Argentina or Australasia can help us out, let us turn to them as well.

This doctrine has never died away. Now I read from a statement made only a few days ago by one of the ablest and most highly respected leaders of Massachusetts:

What harm would there be in taking in from Canada the products of the farm, the mines, the forests, and the fisheries? Reciprocity isn't new. It is a policy we have tried in part.

We had a reciprocal trade treaty with Canada from 1854 to 1866 which covered the natural products, and it was abrogated directly after the Civil War for political and not for economic reasons. If that treaty could have been continued, manufacturers of the United States would not now be obliged to put branch factories all over Canada, and we could have played a great part in the development of that country to the north, rich in natural resources, virgin forests, the largest producer of nickel and asbestos, in fact, everything that would help to have built up and strengthened our own industries.

This doctrine was repeated a few nights ago.

Let me pause to say that if the protective policy is not to be regarded, treated, and applied as a great national system, building up our industries and avocations as a whole and furnishing scope for every bent and gift of the genius of man, then it is a subterfuge and a fraud, a special privilege, and an outrage, and should be destroyed.

I am therefore interested in this particular resolution. In so far as it expresses a purpose to secure a parity of rates between manufactured articles and farm products, it expresses a principle which is exceedingly vital at this time. It does more; it declares for a permanent policy with reference to agriculture.

At the present time, as I have stated, we are importing a large amount of food products. If I had my way about it, so long as the agricultural condition in this country continues anything as it is, I would devote the American market exclusively to the products of the American farmer as to those



products which the American farmer is capable of producing. It is true, Mr. President, that we are exporters of wheat—and that is one of the large items—but it should not mislead us into the belief that we are exporters of a large amount of other farm products of which we are now importers. It should not mislead us into the belief that as to a great number of these farm products we would receive a direct benefit from an increase of the tariff duties.

Let us look at wheat for a moment, and take a glance into the future. It is true that we are now exporting something like 250,000,000 bushels of wheat, but that large amount of exportation is brought about by conditions superimposed by the World War. In 1898 we were exporters of some 500,000,000 bushels of wheat. From 1900 to 1914 the exports went down until they amounted to about 100,000,000 bushels a year, one year dropping down below 50,000,000 bushels. It was estimated by people who had made a study of the subject of wheat that at the then rate of trend by 1918, had it not been for the World War, we would have been no longer exporters of wheat.

It must be borne in mind that Canada can at this time produce one-half of the export demand of the world in wheat. It must be borne in mind that Argentina can increase her acreage ten times what it is now. We know that Canada and Argentina can produce wheat cheaper than we can. In the first place, they have no immigration bar. They have their cheap labor. They have their new land. They have their lands yet unoccupied to be occupied in the future. I venture to believe that Canada and Argentina, under proper stimulus, can to-day supply the export demand of the world in wheat. They will not do it to-morrow, or the next day, or next year, but under the stimulus which is to come, in my opinion, they will soon be supplying a sufficient amount of wheat to satisfy that demand.

In addition to that, we have Uruguay, southern Brazil, to a limited extent western Europe, and we have Rumania, Australia, and New Zealand. We have, in addition to that, Mr. President, the fact that our agricultural interests are not the only agricultural interests which are in a distressed condition. I know of but one possible exception to the statement that throughout the entire world all governments are now interested in protecting their agricultural interests, in stimulating the production of agriculture, and we have to meet the future with the understanding that other governments are seeking to protect their agricultural interests and to build them up, as we are seeking to do.

In addition, there is Russia. Prior to the war Russia was exporting some 250,000,000 bushels of wheat. Since the World War she has exported very little—I think not to exceed thirty or forty million bushels of wheat.

Russia is coming back. There seem to be those who think that because we do not recognize Russia, that takes Russia off the face of the earth. Russia is there, occupying one-sixth of the earth's surface, with the greatest natural undeveloped resources in the world, with a people naturally industrious, home loving, and law-abiding. Give the Russian peasant the modern agricultural implements, as he is now buying them, and Russia will not only put her 250,000,000 bushels of wheat in the market but she will add to it, in all probability, a hundred or a hundred and fifty million bushels.

Mr. President, while we are now an exporter of wheat, and that matter is here for our consideration, we must understand that the time is rapidly approaching when the American market will in all probability be asking for wheat on the outside, and if there is anything that the western man ought to contend for, it is that there be embodied into this law as soon as it can be revised, and in all other laws, the fact that the agriculturists must stand upon a parity with the manufacturers of the United States.

One thing more, Mr. President, and I shall not detain the Senate longer. I said that the agricultural interests throughout the world were suffering from depression the same as our agriculture. It will be remembered that last summer the Premier of Great Britain visited Canada. He was frank as to the purpose of his visit. It was for the purpose of strengthening the ties of the British Empire, economically, politically, and, as he said, spiritually. He asked the Canadians to purchase their manufactured goods from Great Britain, and to purchase what agricultural or food products they did not produce themselves in the Tropics, within the British Empire; in other words, to trade within the British Empire, build up within the British Empire, and exclude the outside world as a matter of trade and economics, so far as practicable to do so.

I refer to that not for the purpose of criticism, or finding fault with the British Premier. He was doing what in my opinion any patriot will do with reference to his own country.

I refer to it for the purpose of calling attention to the fact that we must face the future with the understanding that not only are other countries putting up tariff walls throughout the world, but every effort is being made to preserve the markets for themselves, to build them up among themselves, and to build up their industries and their economic strength within themselves rather than in the outside world.

Mr. Garvin, the great editor of the London Observer, states it in a paragraph. He says in his editorial of October 17:

Thinkers of all parties in this country now know that what they need is a clear, economic policy for the Empire. Any method on which we can generally agree must be more useful in practice than any method on which we hopelessly differ. Imperial preference, as now applied on both sides, is of proved value to the mother country and capable of further but limited extension. \* \* \* The empire is an endless treasure house of unlocked riches. There is nothing required for the sustenance and prosperity of man that it does not abundantly possess or could amply produce. \* \* \* Our more recent investment in Anglo-Persian oil is turning out handsomely. The last few days have reminded us that the industry in Malaya, which provides half the rubber output of the world, was founded by a single individual, with the help of Kew Gardens. \* \* \* A well-organized protectionist country will easily beat out of the field an ill-organized, free-imported country.

Many writers and students of ability have discussed this subject, how Europe is building up her economic life and its effect upon this country. I shall quote briefly from only two—Mr. Simonds, the noted correspondent, and Mr. Clark.

The action of the other nations is referred to, Mr. President, as an economic war against the United States. In a sense, that is an accurate statement; but I do not regard it as an economic war in the sense that it is being carried on for the purpose of punishing, or with the spirit of antipathy or a spirit of revenge. I regard it as an economic policy which they have thought to be in their interest—to build up their home industries, to supply those home industries with their own farm products, to live within themselves, and to have in the future contests that economic strength which they did not have in the last contest. It is not for us to criticize or complain. It is only for us to observe and shape our policy in the light of facts.

Mr. Simonds, in a statement under date of November 14, 1926, says:

I venture to say that under all else in the present tendency toward combination between European people lies the very definite idea of the United States just as the passionate hatred of the United States is at the moment the dominating idea in the minds of millions of Europeans of many nationalities. \* \* \* The fact remains that Europe is moving combination to a degree and in a fashion which would have seemed incredible three years ago, and that in my judgment, the driving force is not any new spirit of peace or any moral revolution, but a definite reaction to what it conceives to be the American menace.

Mr. Evans Clark, a student of European economic conditions, says:

The new French tariff, which occupies the attention of Washington and Paris, is the symbol of a new alignment in world affairs. The possibility of a new Europe looms on the horizon; a Europe that is no longer primarily the market for the manufacturers of America, England, and Germany, but a great industrial complex on its own account bidding for its share of the trade of the world; a Europe whose groupings and alliances follow the line of economic rather than diplomatic or military advantage. \* \* \* The economic entente of Germany, France, and Belgium is already an accomplished fact. Enemies 10 years ago, France and Germany have formed a working partnership in industry and trade that is sealed by a dozen different pacts and ties in Belgium with them with a powerful natural unit of production.

Again, in another article in the New York Times, he says:

Europe has come back. Considering the chaos of even five years ago the achievement is notable. \* \* \* Allowing for all reservations, for all doubt and uncertainties, it may be set down as established that Europe is stronger industrially to-day than it has ever been before. \* \* \* Economics have succeeded diplomacy, and politics is Europe's chief public concern. \* \* \* In the first place, the machinery is the most modern and efficiently operated in the world. New woolen and cotton and linen mills, new sugar plants, new iron and steel works, newly equipped mines and heavy machinery plants have sprung up on the ruins of the old. \* \* \* Europe faces the world to-day re-equipped and with a capacity for production far in excess of pre-war days. Now, that she has it, what is she going to do with it? \* \* \* The peace of Versailles may have stilled the guns of Europe, but it opened another conflict—a struggle between the nations for economic advantage such as has never been seen before. The immediate objects of conflict are the markets of the world, and its battle lines are further flung than Flanders' fields.

Whether it is a wise policy or an unwise policy, when we view the world as a whole, philosophers and theorists may discuss. As a practical fact it is here. As a practical policy it obtains throughout the world. I am interested in the tariff, therefore, as a means of building up and maintaining the home market in the United States and then dedicating that home market to the products of the American farmer. If we can give the home market to the American farmer as he is able to supply it and then protect him against exorbitant and unjust exactions in his effort to reach that market, we shall have gone far in solving the great farm problem.

Mr. SHIPSTEAD. Mr. President, I wish to make only a few observations upon the pending resolution. I am very glad the resolution was modified as it appears before us to-day.

I have been at all times a believer in the protection of American industry. I find that under the Underwood Tariff Act there was very little difference in the percentage of duties paid upon all of the imports as compared with those paid under the Fordney-McCumber Tariff Act, the one being a Democratic measure enacted by a Democratic Congress and the other a Republican measure enacted by a Republican Congress. I think it is therefore safe to assume that in general the entire country is on a nonpartisan basis so far as the system of protection is concerned. The controversy seems to revolve about the question of whether tariff protection shall be uniform, whether all industries shall enjoy the protection of the system, or whether there shall be a maladjustment of the schedule in the effectuation of the American system of protection.

I find the difference in percentages of duties paid under the Underwood tariff operating from 1914 to 1919 and the Fordney-McCumber tariff operating from 1921, when the emergency tariff act passed after the war became effective, up to and ending with the fiscal year 1926, to have been about 5 per cent of the duties paid upon all imports being imported under the two systems of tariff protection.

I desire now to submit a few observations upon the economic situation in the United States as it is now, so far as information is available, and as it has been since the passage of the emergency tariff act of 1921 and the Fordney-McCumber Act of 1922.

It is generally conceded that in this period of time we have had the greatest production of wealth that the United States has ever experienced. Never before in the history of the country has there been so much wealth produced as there has been since 1921. When we come to ascertain how this wealth has been distributed we get some very interesting information. I call attention to a statement made by the distinguished Senator from Utah [Mr. SMOOT] on January 9, last. In the course of his remarks he said:

Unemployment is small as compared with 1921.

He was speaking in defense of the McCumber-Fordney tariff and its operation upon industries and the general welfare of the United States. What do the actual figures of the Government show about employment at the time of which the Senator from Utah was speaking, as compared with the year 1921? We find in a report of the Secretary of Commerce, in a periodical called Survey of Current Business, issued for February, 1927, that from 1920 to 1926 employment in the United States decreased 18 per cent. In other words, when the Senator from Utah said that employment is better now than it was in 1921 he contradicted the figures of the Department of Commerce which last February stated there were 18 per cent less people employed in 1926 than there were in 1920.

The Senator from Utah said the percentage of commercial failures was not as great in 1926 and 1927 as in 1914. I do not know what they were in 1914. When the Committee on Banking and Currency of the Senate conducted their hearings on the McFadden banking bill in 1926, Mr. Willis, who had been engaged by a group of bankers in the United States and given a large sum of money to be used for the purpose of investigating the banking situation and the commercial situation in the United States, made the statement that since 1920 we had had more business failures and more banks closing, with greater total assets wiped out, than ever before in the history of the United States. That statement was made based upon information gathered by a group of experts whom he had employed and set to work at the request of the group of bankers who wanted to get the information.

The Senator from Utah said that production has increased. That is true. He also said that wages had maintained a high level. What are the actual facts as revealed by the Government's own figures? In the same periodical issued by the Department of Commerce, Survey of Current Business, for February, 1927, it will be found stated that from 1920 to 1926 the

total average monthly pay roll for the United States decreased 30 per cent. In other words, labor in the aggregate throughout the United States in 1926 was receiving 30 per cent less than it did in 1920. Never before in the history of the country had there been such a great production of wealth. What part did labor get out of it? According to the figures given labor got 30 per cent less than it did in 1920.

What did labor produce? The Bureau of Labor Statistics in its report for 1927 reported that the quantity of manufactured goods per man employed increased 34 per cent in the last seven years. That is to say, the average workingman in the mills and factories of to-day, under a system of mass production, is giving the employer a yearly production 34 per cent greater, turning out one-third more than he did seven years ago. Here we have a situation where the average man, according to the Bureau of Labor Statistics, working in the mills and factories is producing one-third more than he was producing seven years ago, and yet Secretary Hoover's statistics show that labor in the aggregate has been reduced in its average monthly pay roll 30 per cent from 1920 to 1926.

What share of this prosperity has the farmer received? At a time when the farmer was exporting a greater amount of agricultural products than he had ever done before in the history of the United States, with the exception of one or two years during the war period, the reports of the Department of Commerce and the Department of Agriculture showed that from 1920 to 1923, of the 18 major agricultural products, we averaged three times more in exports than we did before the war.

Mr. McLEAN. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER (Mr. BLAINE in the chair). Does the Senator from Minnesota yield to the Senator from Connecticut?

Mr. SHIPSTEAD. Certainly.

Mr. McLEAN. I was deeply interested in the Senator's statement with regard to the average wage paid to employees in the industrial activities of the country. The Senator will bear in mind that we are now discussing a resolution which calls for a reduction of tariff rates. Does he think that a reduction in tariff rates would be of benefit to those employees who in his opinion are now receiving less than they did five or six years ago?

Mr. SHIPSTEAD. The Senator evidently has not been listening to my remarks, because I am at the present time addressing my remarks to the statement of the Senator from Utah [Mr. SMOOT] upon the floor of the Senate when he was speaking of the universal prosperity that has been spreading over the country as the result of the operations of the McCumber-Fordney tariff bill.

Mr. McLEAN. But the Senator is addressing himself to the pending resolution, I assume.

Mr. SHIPSTEAD. My time is occupied upon the resolution. I shall come to the resolution after I shall have finished with the statement of the Senator from Utah.

Mr. McLEAN. I was wondering whether the figures which the Senator stated indicated to him that a reduction in the tariff rates applying to those industries where wages have been reduced, would enable the employers to pay higher wages?

Mr. SHIPSTEAD. I am calling the attention of the Senate to these figures to show that under the high tariff schedules in industry, which we were told had been enacted for the purpose of helping the American wage earner to get more out of the wealth which he helps to produce, that the Government's own figures show that the total average pay roll of the country had been reduced 30 per cent during its operations.

Mr. McLEAN. I think the Senator understands my question, but if he does not care to answer it that is for him to decide.

Mr. SHIPSTEAD. As a matter of fact, I did not understand it as a question but understood him to make a statement.

Mr. McLEAN. I put it in the form of a question. Does the Senator think that a reduction of tariff rates on these industries will put the employers in a position where they can deal more liberally with their employees?

Mr. SHIPSTEAD. My observation has been to the effect that the tariff has very little to do with wages, apparently, and that view is borne out by the reports of the Department of Commerce, and, of course, the fact is that wages have been reduced.

Mr. McLEAN. The Senator is in favor of the adoption of this resolution which calls for a reduction in tariff rates for the purpose of helping some one, and I assume from the debate that preceded his remarks it was to help the farmer.

Mr. SHIPSTEAD. Before I have taken as much time as the Senator from Connecticut has upon this resolution I hope to make myself clear.



Mr. McLEAN. I hope the Senator will, though he has not done so up to now. I was asking the Senator a question. He has adverted to men employed in the factories, and has stated they are not getting what they ought to receive, in view of the profits that their employers have made.

Mr. SHIPSTEAD. I did not make any such statement, Mr. President. I object to the Senator from Connecticut assuming to make my speech for me.

Mr. McLEAN. The Senator says that the employees are not receiving as much as they formerly did.

The PRESIDING OFFICER. Does the Senator from Minnesota yield further to the Senator from Connecticut?

Mr. SHIPSTEAD. I do.

Mr. McLEAN. I am perfectly willing that the Senator from Minnesota should correct his statement. I do not want to misrepresent him, and the Senator knows that. Some employees are not receiving as much as they did. Does the Senator from Minnesota think that a cut in the tariff rates will be of any benefit to those employees?

Mr. SHIPSTEAD. I do not know. Let us find out.

Mr. McLEAN. I should find out, I think, before I voted for this resolution.

Mr. SHIPSTEAD. The increase of the rates in the tariff evidently did not increase the wages of the employees. It is evident that that increase in the tariff schedules reduced their wages.

Mr. McLEAN. There is no evidence of that.

Mr. SHIPSTEAD. I have just read from the report of the Department of Commerce.

Mr. McLEAN. That report does not state that any reduction in the wages of employees is due to the tariff.

Mr. SHIPSTEAD. I did not say the tariff reduced the wages of individual wage earners. I simply stated the figures of the Department of Commerce show that the total average pay roll had been reduced by 30 per cent in six years. If the Senator from Connecticut finds fault with that statement, he can not quarrel with me, but he must go to the Secretary of the Department of Commerce, who gave out that statement last February.

Mr. McLEAN. I am not finding fault with the Senator's statement; I am trying to find out whether he believes that the adoption of this resolution will improve the situation. The resolution calls for a reduction in the tariff.

Mr. SHIPSTEAD. Has the Senator from Connecticut finished?

Mr. McLEAN. Yes; I have finished.

Mr. SHIPSTEAD. If the Senator has finished, I desire to go on with my remarks.

Mr. McLEAN. Apparently the Senator from Minnesota has also finished so far as his disposition to reply to my question is concerned.

Mr. SHIPSTEAD. The Senator from Connecticut, I am sure, will conscientiously admit that he is in a cantankerous mood this afternoon. [Laughter.]

Mr. FESS. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. SHIPSTEAD. I yield.

Mr. FESS. I understood the Senator to say that, according to the report from which he read, the sum total of wages paid to employees is less, indicating that there was a lowering of wages.

Mr. SHIPSTEAD. Yes; that the total average pay roll had been reduced by 30 per cent, according to the report of the Department of Commerce.

Mr. FESS. I understand that 10 per cent fewer men were employed and that they produced 25 per cent more of products. That would be a reduction of the wages, not because there was a lowering but the ratio would be less through the efficiency of labor; that is, less labor, because of its efficiency, has produced more wealth. I think that is the statement of the Commerce Department.

Mr. SHIPSTEAD. As I read the report—and I have a copy of it here, or a transcript of what the department stated—the average laborer in the factory, as reported last February, is producing 34 per cent more of the finished products than he was producing seven years ago.

Mr. FESS. That is my understanding.

Mr. SHIPSTEAD. The employees are producing more. That is not only, in my opinion, due to the increased efficiency of labor but to the vastly greater use of new labor-saving machinery.

Mr. FESS. Yes; the Senator from Minnesota is right as to that.

Mr. SHIPSTEAD. There can be no quarrel upon that point. There are several factors which enter into this question, but the fact remains that the total pay roll has been reduced. Of that part of wealth that is being produced labor, as such, does not receive such a large percentage as it did in 1920.

Mr. FESS. I am wondering whether we draw the same conclusion. A less number of laborers produce a greater amount of wealth.

Mr. SHIPSTEAD. Yes.

Mr. FESS. Does that mean that the fewer number, although increasing production, are, as individuals, getting less than they previously did?

Mr. SHIPSTEAD. It means that a fewer number of employees are getting less than a 10 per cent greater number previously got.

Mr. FESS. Would that mean that the individual laborer is receiving less or all the laborers are receiving less in the aggregate?

Mr. SHIPSTEAD. I can not speak from knowledge.

Mr. FESS. That is the point to me.

Mr. DILL. Mr. President, will the Senator let me give an answer to the Senator's question?

Mr. SHIPSTEAD. In just a moment I will yield. For instance, last year on the iron range of Minnesota we mined and shipped out between one and two million tons of iron ore more than we did in 1921.

Mr. FESS. With the same number of workers?

Mr. SHIPSTEAD. No; with 6,000 men less employed.

Mr. FESS. That is the point.

Mr. SHIPSTEAD. The individual workers who produced that additional ore with machinery did not as individuals receive any higher wage, but I think it will be found that as individuals they received about the same wage. Labor on the range, of course, in the aggregate, as the result of there not being so many men employed, receive a great deal less.

In Detroit last week I was told that in the painting of automobiles, with a new device for spraying paint, one man can paint more automobiles than five or six men used to paint.

Mr. FESS. That is the Duco method.

Mr. SHIPSTEAD. Yes. The men engaged in that work used to get 60 or 70 cents an hour, and I understand the one man who now does the work that formerly used to be done by five or six men likewise receives from 60 to 70 cents an hour.

Mr. FESS. I have understood that they spray a car 11 times and do it as expeditiously as painting it once under the old method.

Mr. SHIPSTEAD. Yes. I now yield to the Senator from Washington.

Mr. DILL. Mr. President, I wish to call attention to the report of the Bureau of Labor Statistics, which shows that in the highly protected woolen mills wages have actually decreased, while the number of hours have increased. I mean by that that the average wage received by the individual worker was less in 1926 than it was in 1920 or 1924. I call this to the attention of Senators, because the defense and excuse, if not the reason, for maintaining the enormously high tariff rates on manufactured wools is for the good of labor; but the records of the Bureau of Labor Statistics show that the average individual earnings of the laborers in the woolen mills was less in 1926 than it was in 1920 or 1924.

Mr. McLEAN. Is it the Senator's view that a reduction of the tariff would help the situation?

Mr. DILL. I think a reduction of the tariff would help to lower the cost of those products to the consumer.

Mr. McLEAN. That is not the question I asked.

Mr. DILL. Oh, well, the Senator asked me a question. Let me answer in my own way.

Mr. McLEAN. I should like to have an answer to the question which I asked.

Mr. DILL. It would not help the excessive dividends and profits of the woolen manufacturer.

Mr. McLEAN. They are not enjoying any such profits.

Mr. DILL. But it would help the farmer who is almost starving to death, because he has to pay such enormous prices for what he has to buy.

Mr. McLEAN. The Senator has read figures as to the wages of the employees of the woolen mills and he finds that they have been reduced.

Mr. DILL. Yes; and in the face of the high tariff given the manufacturers.

Mr. McLEAN. Is it the Senator's idea that a reduction of the tariff would enable the employers to pay higher wages?

Mr. DILL. Oh, no; I do not think the tariff has anything to do with the wages paid.

Mr. McLEAN. Then the Senator does not think that a reduction of the tariff on woolen goods would benefit the employees?

Mr. DILL. I do not think it would hurt the employers and I know it would benefit the great mass of the people who use woolen goods.

Mr. McLEAN. The Senator does not think it would hurt the employers?

Mr. DILL. No; because they have such enormous profits and dividends now.

Mr. McLEAN. They have not been enjoying profits for some time past.

Mr. DILL. I have not read the latest reports, but in recent years, since the last tariff bill was enacted into law, their profits have been very large.

Mr. McLEAN. I do not know where the Senator got his figures.

Mr. DILL. Perhaps in the last year their profits have not been so large, but my point is that the tariff does not bring the laborer better wages.

Mr. SHIPSTEAD. Mr. President, when I finish I will ask the Senator from Connecticut to explain where wages have been increased at all by the high tariff; and when I say that I say it as one who believes in the protective tariff.

Mr. McLEAN. I did not understand the Senator.

Mr. SHIPSTEAD. I say when I finish I shall give the Senator an opportunity, or the Senator will have the opportunity without my giving it to him, to explain how wages have been increased by the high tariff.

Mr. McLEAN. I am very much obliged to the Senator. It can easily be done.

Mr. SHIPSTEAD. Mr. President, what do the Government's own figures show has been the part of agriculture during the past six years while we have had this great era of prosperity about which so much has been said? The Department of Agriculture in one of its reports shows that during the six-year period my State has had a loss in income of \$1,000,000,000. In the report of the subcommittee of the Senate Banking and Currency Committee for February 16 to February 24, 1926, inclusive, a table shows that from 1920 to 1925 3,500 banks in the United States, with total assets of \$1,600,000,000, were closed and 95 per cent of those banks were conducting business in agricultural communities. The Department of Agriculture also shows in reports issued by it that the shrinkage in income to agriculture from 1919—I do not think that, perhaps, it is fair to take 1919, because that was a year when prices were high and there was inflation—but from 1920 to 1926 the report of the Department of Agriculture shows that the income from agricultural pursuits in the United States decreased 42 per cent. So we have from the Government's own figures a showing that during this period of time there was a decrease of income to agriculture of 42 per cent, and that the total average monthly pay roll for labor decreased 30 per cent, or a total of 72 per cent. What do the Government's own figures show has been the share which industry has been receiving during the same period? We have that from the Department of Commerce, also.

On page 126 of the February issue of the Summary of Current Business, Secretary Hoover has summarized the increase in value of industrial shares. Table 102, stock and bonds, shows that the average price in dollars per share for the 25 leading industrials on the New York Stock Exchange in 1922 was \$98.50. In 1926 they averaged \$165.70—a four-year increase of \$67.12 per share, on the average. In other words, the value of industrial stocks increased 70 per cent, as compared to a decline in farm values of 35 per cent and farm income of 42 per cent, in seven years.

Here we have an economic situation—and I prefer to discuss these things from an economic rather than a political point of view—where we have produced more wealth than ever before in the history of the United States during a period of half a dozen years. We have produced more wealth upon the farm, we have produced more wealth in industry, and still the producers on the farm suffered a reduction in income of 42 per cent in the aggregate. The producers in the mills and the factories during the same period of time suffered a loss in the aggregate of 30 per cent in income, and the 25 leading industrial corporations, according to Mr. Hoover, had an increase in value of their shares of 70 per cent—just 2 per cent less than agriculture and labor lost.

I think that is a situation that demands the most earnest attention of every Member of Congress and every American citizen. It is a very astonishing condition. I am not going to say that this is all due to a high protective tariff. I would not make such a rash statement. I do not know to what extent it is affected by the tariff; but I think we ought to find out.

The distinguished Senator from Indiana [Mr. WATSON], who has at all times, so far as I know anything about his record, been a high protective-tariff defender, said the other day, "We have discovered that the tariff on agricultural products has not been effective."

Mr. McLEAN. Mr. President, if the Senator will permit me, the Senator from Iowa [Mr. BROOKHART] either yesterday or the day before stated to the Senate that he had given the subject very careful consideration and investigation, and had reached the conclusion that the tariff amounted, I think, to about 8 per cent of the difficulties now suffered by the agricultural interests of the country. It may have been 12 per cent; it was either 8 or 12 per cent, I think.

That was the result of his careful investigation. Of course, I could not agree with him even as to the 8 or 12 per cent. We can speculate as much as we please; but it is my impression that if we did not have prosperity in other sections of the country the condition of the farmer would be very much worse than it is now.

Mr. SHIPSTEAD. Of course, that is a matter of speculation and opinion, and everyone is entitled to his own opinion about it. I am merely calling the Senator's attention, as shown by the Department of Commerce, the Bureau of Labor Statistics, and the Department of Agriculture, to what has happened to agriculture, what has happened to labor, and what has been agriculture's share of this prosperity.

Mr. President, I may say that I find that a former distinguished Senator from Minnesota, Hon. Knute Nelson—far more distinguished than the Senator who has the honor of addressing the Senate to-day—was here when the Fordney-McCumber Tariff Act was passed. He said, among other things, in speaking of the tariff on agricultural products:

I suppose it is to make a big showing for the farmer, to make him believe that he will get all the excess duty in one form or another, and to make it easy for him to swallow the high duties on manufactured goods.

He also said:

It is evident, it seems to me, that the Senator from North Dakota [Mr. McCumber], in his zeal to put such an immense tariff on agricultural products, higher than we have ever had before, higher than there ever was any necessity for, has done so simply to oil the protection machine for the woolen schedule and some of the other schedules in the bill.

He said:

I am very sorry that the committee have gone to such extremes as they have. I had hoped, Mr. President, that protection would not run mad as it has done.

Mr. McLEAN. Mr. President, but the Senator has reached the conclusion that the rates in the Fordney-McCumber bill were only 5 per cent higher than those in the Underwood bill.

Mr. SHIPSTEAD. That is, in the aggregate.

Mr. McLEAN. In the aggregate.

Mr. SHIPSTEAD. I do not mean to say that they were uniformly that throughout the two bills. My predecessor, the Senator from Minnesota, who was here at the time and whom I was quoting, said that they had gone mad. I take it that he meant on certain schedules, and not in the aggregate.

I do not care what kind of a price level you have in this country, whether you have an inflated one under an inflation of the credit structure and under the high protective tariff, or a low one, provided you have it uniform and maintain it at all times. Then every one is on an equal basis. Every one is on the same price level. But when you have a situation where the dollar of agriculture is down here and the dollar of the manufacturer is up there, you have a maladjustment that affects the distribution of wealth; and, as the Department of Commerce and the Bureau of Labor Statistics and the Department of Agriculture showed, when wealth is produced as it has been produced here in the past six years the distribution has been absolutely unjust to agriculture and to labor.

I want to refer again to what the Senator from Indiana [Mr. WATSON] said the other day when he said, "We have discovered now that the tariff on agricultural products is not effective."

In my opinion, if an investigation under this resolution should show that some of these schedules are entirely too high, they ought to be reduced. If some schedules are too low, they ought to be raised. If any schedule for agricultural products is to be effective—as the Senator from Indiana admitted and the Senator from Idaho [Mr. BORAH] this afternoon admitted that they are not, now—some way must be found to make these tariff schedules effective for agriculture.



I do not claim that this resolution embodies any complete remedy at all. I never claimed for the McNary-Haugen bill that it carried a complete and adequate remedy for agricultural relief; but it was at least an attempt to make the tariff effective, and I want to call the Senator's attention to the fact that while it might not have been as long a stride in the right direction as could be taken I fail to see where the Senator from Connecticut has pointed out a better way to go in finding a solution.

Now, Mr. President, I want to say a few words about something we have heard a great deal about, and that is the so-called sectional point of view.

We of the Northwest have been charged with having not a national point of view but a sectional point of view. The distinguished Senator from Connecticut this afternoon admitted that, so far as he was concerned—and I want to compliment him for his honesty in that—environment affected the point of view. I think it applies to all men. That is perfectly natural. They are all human. But we of the West in the last few years have been accused of being unduly sectional in our point of view, and the general impression seems to have been carried out in propaganda that that is peculiar to our section of the country.

Mr. McLEAN. Mr. President, the Senator will realize that, inasmuch as we have different points of view—and I think we have had expressed here in the Chamber at least three distinct schools of thought on the tariff question since this subject was brought up—we can not all be right; and it is very important that we should avoid adopting a wrong course in this matter. We can not all be right; we may all be wrong; but it seems to me very important that before we disturb the complex and colossal industries of this country by a revision of the tariff we ought to avoid the wrong course if possible.

Mr. SHIPSTEAD. Before we have a definite point of view, let us get some facts. That is what I am trying to give to the Senator.

Mr. McLEAN. I have not received any yet. I am frank to say that I have listened here for three days, and up to date I have not heard a single fact stated in this body that would warrant the adoption of the resolution under consideration.

Mr. SHIPSTEAD. The Senator some time ago asked some Senator here to have faith in his Government. I am simply giving him some figures from his Government.

Mr. McLEAN. If the Senator will pardon me, I will call his attention to one fact that was brought to the attention of the Senate yesterday by the Senator from New York [Mr. COPELAND].

His wife bought an aluminum utensil of some kind. She wanted to preserve some fruit. I think he called it a pot. She paid \$4.55 for it. The Senator from New York, as a profound student of economics, told the Senate what tax she had to pay on that utensil. Eleven cents a pound on the raw material made 33 cents. He took a dollar off from the price she paid, \$4.55, which resulted in \$3.55. That, in his opinion, carried an ad valorem tariff of 55 per cent. That made a tax of \$1.95. He added the 33 cents to the \$1.95, and made a tax of \$2.28 as the tax his wife had to pay on that utensil.

Mr. JOHNSON. How much was that, please?

Mr. McLEAN. Two dollars and twenty-eight cents.

Mr. President, it does seem to me that any man who undertakes to discuss the tariff question in this Chamber ought to be sufficiently considerate of his own reputation to avoid such a statement.

Mr. SHIPSTEAD. To whom is the Senator referring?

Mr. McLEAN. The Senator from New York [Mr. COPELAND]. I am sorry he is not in the Chamber.

Mr. SHIPSTEAD. If it is all the same, I will ask that the Senator be given an opportunity to answer the Senator from New York in his own time.

Mr. McLEAN. The Senator rather challenged my attempt to inform the Senate as to what fact had been introduced in support of the friends of this resolution.

Mr. McMASTER. Mr. President, if the Senator will yield a moment, I wish to say that if the distinguished Senator from Connecticut had remained in the Chamber when he knew that certain schedules were being discussed just a few moments ago, he would have had an ample opportunity to ask questions and to answer questions. Now, I should like to hear the distinguished Senator from Connecticut explain the aluminum schedules and defend those aluminum schedules.

Mr. McLEAN. I will say to the Senator that I have to consume agricultural products; I could not occupy a seat in this Chamber if I did not. I retired from the Chamber a few moments to partake of some pea soup. I do not know what the tariff is on peas; but that was the excuse for my absence from the Chamber. I have tried to be here all the time this matter has been under discussion.

Mr. SHIPSTEAD. Whatever the tariff is, the Senator from Indiana will inform the Senator that it has not any effect on agricultural products; so it does not make any difference what the tariff on pea soup is.

Mr. McLEAN. But I thought the Senator wanted the tariff raised on agricultural products.

Mr. SHIPSTEAD. I said we want it made effective.

Mr. McLEAN. I do not know whether it would be effective to raise the tariff on peas or not. Whatever the Senator wants to do, I am with him so far as agricultural products are concerned.

Mr. SHIPSTEAD. I thank the Senator for that.

Mr. McLEAN. To return to aluminum, of course, every Member of this body who knows anything about the subject understands that the ad valorem tariff would be imposed upon the foreign value of this utensil about which the Senator from New York spoke, which, as near as I can ascertain, would be less than \$1 on the imported similar article.

So, if you take 55 per cent of \$1, you will get the ad valorem duty on this article. The Senator from New York was only about 66 2/3 per cent wrong. That is doing pretty well for anybody on the other side of the Chamber who undertakes to discuss the tariff question.

Mr. CARAWAY. Of course, wisdom and honesty both dwell on the Republican side.

Mr. HOWELL. Mr. President, the distinguished Senator from Connecticut has said that he is ready to raise the tariff rates upon agricultural products.

Mr. McLEAN. Yes.

Mr. HOWELL. How can we do it unless we get at tariff legislation?

Mr. McLEAN. We can not do it by lowering the rates on other articles.

Mr. HOWELL. Yes; but this resolution proposes to provide more nearly a parity for agricultural products. A parity can be secured by lowering the rates on nonagricultural products, or raising the rates on agricultural products, in the cases where it would be effective.

Mr. McLEAN. Yes.

Mr. HOWELL. How are we going to do this unless we get at the matter and act as this pending resolution suggests?

Mr. McLEAN. Go right to the Tariff Commission and ask for a 50 per cent raise. You have had it on two articles already. Go down and ask for a raise on the other product, the tariff on which you want increased. Do not come here and complain that you can not do anything until you try the remedy that is already in your hands.

Mr. HOWELL. Mr. President, blackstrap molasses, upon which there is a tariff of one-sixth of a cent a gallon, has put out of annual consumption in the production of alcohol about 50,000,000 bushels of corn in this country. Suppose you raise the tariff one-half of one-sixth of a cent. Would that aid in bringing about parity?

Mr. McLEAN. I do not know, but we tried to raise it when we revised the law in 1922, and the agricultural bloc insisted that they were using blackstrap molasses to put into cattle feed, and they would not stand for it. That is the reason why we did not give them an adequate rate on blackstrap molasses.

Mr. HOWELL. Did the Finance Committee investigate the uses of this molasses?

Mr. McLEAN. No. As to agricultural products we largely took the say-so of the gentlemen who represented the agricultural bloc, I will admit, and gave them all they asked for.

Mr. HOWELL. Mr. President, it is well recognized that blackstrap molasses, which was imported into this country last year to the extent of nearly 300,000,000 gallons, is used by distillers for the production of alcohol, and the distillers were interested in this rate and secured the low-tariff rate of one-sixth of 1 cent a gallon on this product.

It is a further fact that it takes 5.6 gallons of blackstrap molasses to equal one bushel of corn in the production of alcohol. In other words, on that basis there was less than one cent protection on a bushel of corn, and it put out of use 50,000,000 bushels annually in this country for the production of alcohol. It is true we produced about 2,700,000,000 bushels of corn last year, and only about 10 per cent of that goes into the market and is dealt in as cash corn, or about 270,000,000 bushels. But 50,000,000 bushels of corn taken out of that demand is of tremendous moment, and undoubtedly affected the price of corn in this country. If you will look at the price index number of corn you will find that for most of the time during the last six and a half years corn has brought about the same price as in 1913. It is one of the aims of the pending resolution to nonagricultural products have averaged 64 per cent higher than in 1913. It is one of the aims of the pending resolution to correct such tariff injustices to agriculture as this.

Mr. McLEAN. I have no controversy with any Senator who is advocating an increase in the tariff rates.

Mr. SHIPSTEAD. Mr. President, have I the floor?

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. SHIPSTEAD. If I have the floor, I shall ask the Chair's protection that I may have a few minutes in order that I may conclude my remarks. I am very thankful for the information that has been furnished by the Senator from Nebraska and the Senator from Connecticut.

I want to return to the subject on which I started to make some observations a few minutes ago—that is, the charge that all in the Northwest are afflicted with what is looked upon as an undesirable complex, a local or sectional political point of view, because we have been charged with that, and I want to present some evidence to show that that disease, if it be a disease, is not peculiar to the Northwest.

I have here a manuscript sent out by an organization that calls itself the New England Council, which sent a questionnaire to the Members of Congress in the House and Senate from New England asking them what they could look for from Congress for New England this year. I have here the answer of the New England bloc to the New England Council. I find that one Member of Congress said, in answer to the questionnaire:

I would say that the one thing in Congress to which New England should give special attention is the matter of so-called farm relief. Practically all the proposals seriously urged by the western farm organizations mean a higher price of food in the industrial communities of New England.

He was speaking, of course, of the McNary-Haugen bill in particular. He was opposed to it, because, he said, it would raise the price of food in the industrial sections.

Mr. McLEAN. Did I understand the Senator to say that the author of that article was in favor of the McNary-Haugen bill?

Mr. SHIPSTEAD. No; opposed to it.

Mr. McLEAN. As usual, coming from New England, he was a very sensible man.

Mr. SHIPSTEAD. He was looking out for New England; and when we try to do something for the Northwest we are accused of lacking in national point of view and being local-minded. I am simply bringing this to the attention of the Senate to show that if that is an undesirable complex it is not peculiar to the Northwest.

Here is the reply of another member of the New England bloc to the New England Council. He says:

I think New England is interested in maintaining adequate customs duties and in the elimination of the estate tax.

I found that one member of the New England bloc expressed great concern about very many things. I quote from the reply of one. He said:

There will be countless items in the appropriation bills that are important for particular New England communities, such as those having to do with river and harbor improvements, public buildings, navy yards, etc., but I think that you can count upon the representatives of the communities concerned to look after them and to enlist help from home should it prove necessary.

Nearly every one starts out with the statement that New England must be wide awake and look after its own interests. One man stated that it was very important that they should organize and cooperate. He said:

With a little organized cooperation on the part of the various industries whose products are on the free list and of the commercial organizations of the regions affected, I believe that the Ways and Means Committee could be induced to take up this question—

Of raising tariff schedules.

Mr. BINGHAM. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. BINGHAM. The Senator has used several times the expression "the New England bloc."

Mr. SHIPSTEAD. Yes.

Mr. BINGHAM. Will the Senator explain what he means by that? That is a new idea to me. I had never heard that there was one. In fact, I have several times wished that there was one. The trouble with most people from New England is that they are all individuals and can not be forced into the confines of a bloc. Will the Senator be so good as to explain?

Mr. McMASTER. I will suggest to the distinguished Senator from Connecticut, if he wants to ascertain something about the New England bloc, that he examine practically every roll call in the Senate, it would not make any difference whether on the election of a page or on the adoption of a tariff system, an important thing or an insignificant thing, and he will find that

all New England Senators are always voting alike, with very rare exceptions.

Mr. BINGHAM. I wish that were true, Mr. President.

Mr. SHIPSTEAD. I am sure the Senator from Connecticut will agree with me when I say that it is not necessary for the Senator to ask me about anything concerning New England, the part of the country that has been dedicated to the bean and the cod—

Where the Lowells speak only to Cabots,  
And the Cabots speak only to God.

Here is the reply of another distinguished Member of Congress from New England, writing to the New England Council, which seems to be the central body. He said:

A hostile feeling toward New England is more or less prevalent in Congress. For the past 50 years New England has played a most important part and secured many advantages.

I want to say that I admit that New England has played an important part, and in most respects every American is proud of New England. When we come to discuss the economic situation affecting the tariff, the condition of agriculture, and the distribution of wealth as reflected in the reports of the Government, in some things we have to differ from New England and on this occasion I am attempting to show that while we have been accused of trying to do a little something for our own people, and that to some seems to be an undesirable point of view, I am trying to show that New England has been trying to follow that course for a long time and they admit it.

He said:

I do not intend to introduce politics into your deliberations.

Of course not. They only want to see what they can get out of Congress this year, but they do not like to bring politics into their deliberations.

But merely state the fact that it is of paramount importance that we should have in the White House and in other offices men of ability to defend New England's interests and the power to secure and retain legislation of a helpful nature.

I do not find any fault with that. New England wants to look out for itself, but when New England is feeding her industrial population at our boarding house and refuses to pay the cost of production, I think we have a right to complain. The only thing we ask them to do is to pay us for what they eat. Here we find a distinguished Member of the New England bloc in Congress writing to the New England Council and saying that he is opposed to farm legislation that would increase the cost of food to the industrial sections of New England. I have been in communities where if a man did not pay his board bill they called him various names.

Mr. BINGHAM. Mr. President, will the Senator yield for a question?

Mr. SHIPSTEAD. Certainly.

Mr. BINGHAM. Will the Senator explain before he gets through why he objects to the action taken by the New England Council in asking the Representatives from the New England States what they think of important measures before the Congress affecting that section of the country, and their frank answers? Why does he object to that?

Mr. SHIPSTEAD. Mr. President, I am not objecting at all. I am simply stating it as a fact. I said I did not blame New England. I am only pointing out that they are doing and have been doing for a long time what we have been accused of doing, but when we tried to do it in our humble way we were accused of lacking patriotism, lacking a national viewpoint, being provincial. We are simply beginning to follow in the footsteps of New England, which have made New England so prosperous at the expense of the country. We want some of the wealth we have produced. We want to be paid for the food we send to you to feed your people. All we ask is to be paid the cost of production, to be put on an economic level with the people of New England. Is there anything wrong about that?

Mr. BINGHAM. No, Mr. President; only the Senator's remark that that is something which has been going on in New England for a long time and that he had learned it from New England, does not seem to me to be borne out by the fact that the recent meeting of the New England Council from which he is quoting is quite a new thing, and that New England is apparently acting in self-defense and has been driven into that position by the fact that she is not so prosperous as the Senator thinks she is.

Mr. SHIPSTEAD. If this is a new organization, I take it that it has been formed recently, because they have never been in danger yet of paying their board bill. There is a feeling now that the agricultural sections of the country are going to



collect and I assume that if, as the Senator said, this is an organization of self-defense, he means it is an organization to protect them against this new demand that they shall pay for the cost of production of the food which they eat.

Mr. BINGHAM. Oh no; that was not the object of the origin of that organization. The object of the origin was the fact that they found there was unemployment and they were being called upon to meet competition, that the mills were being closed because tariff rates were not high enough to afford the protection against the rejuvenation in Germany, that many mills manufacturing woolen goods were being put out of business by causes over which no one has any control, namely, the decrees of Dame Fashion that people should wear silks instead of woollens. We have had our troubles and we are trying to work them out in our own way. But the Senator's intimation that the origin of this get-together project in New England was aimed at his part of the country I think is not borne out by the facts.

Mr. SHIPSTEAD. If my remarks carried any such insinuation I am perfectly willing to assure the Senator that they were made more facetiously than seriously.

Now just a word in conclusion. I wanted to get some of these suggestions before the Senate to direct its attention, if I could, to the economic situation which we have here now and the unequal distribution of wealth in the last six years at a time when we have produced more wealth in the United States than ever before in the history of the country. How far the tariff affects this unequal distribution of wealth I think would be well for Congress to find out. To what extent the fluctuation and inflation of the currency and the credit situation affects it, I think the Congress could well spend some time to find out. There are so many factors that enter into the situation that if we can get an investigation into the tariff schedule, and the various other factors which affect the situation, such as freight rates, we can have some facts upon which to base a remedy. As I said, I do not claim that a complete remedy is in the pending resolution, neither do I believe a complete remedy was in the McNary-Haugen bill. The causes are many and come from various sources. The remedy must come in various measures that Congress can devise. This, I think, is a step in the right direction, so I shall vote for the pending resolution.

#### THE MERCHANT MARINE

Mr. WILLIS. I ask unanimous consent out of order to submit a unanimous report from the Committee on Commerce for the calendar.

The PRESIDING OFFICER (Mr. BLAINE in the chair). The report will be received.

Mr. WILLIS, from the Committee on Commerce, to which was referred the bill (S. 789) to amend the merchant marine act, 1920, approved June 5, 1920, by insuring the exemption from income taxes during the 10-year period there provided of profits on the sale of certain vessels when the proceeds of such sales are invested in new American vessels approved by the Shipping Board, reported it without amendment and submitted a report (No. 74) thereon.

#### FLOOD CONTROL FOR THE LOWER MISSISSIPPI

The PRESIDING OFFICER laid before the Senate a communication from the Secretary of War, transmitting, in response to Senate Resolution 90, agreed to January 4, 1928, the first report of the Mississippi River Commission, submitted under date of September 28, 1927, relative to flood control of the lower Mississippi River, which was referred to the Committee on Commerce.

#### REPORT OF GEORGETOWN BARGE, DOCK, ELEVATOR & RAILWAY CO.

The PRESIDING OFFICER laid before the Senate a communication from Hamilton & Hamilton, attorneys, transmitting, pursuant to law, the annual report of the Georgetown Barge, Dock, Elevator & Railway Co. for the year ended December 31, 1927, which was referred to the Committee on the District of Columbia.

#### DISPOSITION OF USELESS PAPERS

The PRESIDING OFFICER laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, a report of papers and documents on the files of the Treasury Department which are not needed or useful in the transaction of the current business of the department and have no permanent value or historical interest, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The PRESIDING OFFICER appointed Mr. Smoor and Mr. SIMMONS members of the committee on the part of the Senate.

#### COMPETITION AND PROFITS IN BREAD AND FLOUR

The PRESIDING OFFICER laid before the Senate a communication from the Chairman of the Federal Trade Commission, transmitting, in response to Senate Resolution 163, agreed to February 16, 1924, a report of the commission on "competition and profits in bread and flour," which was ordered to lie on the table.

Mr. WALSH of Montana. Mr. President, the report of the Federal Trade Commission just laid before the Senate is of very special importance. It is the concluding report upon an investigation ordered by the Senate upon a resolution introduced by former Senator La Follette, of the State of Wisconsin, directing that commission to inquire into an alleged combine or merger of the baking companies in the country and the effect of the combines and mergers upon the price of bread. Two prior reports have been handed down, both of which have been published. I am advised that the Federal Trade Commission has no funds with which to publish the report. I ask unanimous consent for the printing of the report as a Senate document.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, will the Senator let that request go over until to-morrow? Another Senator asked me to state that he is interested in the matter and that he would like to be here when the request was preferred.

Mr. WALSH of Montana. Very well.

#### HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

- H. R. 1537. An act for the relief of William R. Connolly;
- H. R. 2523. An act for the relief of Harvey Dunkin;
- H. R. 2524. An act for the relief of Mary M. Jones;
- H. R. 2809. An act for the relief of the heirs of Jacob Thomas;
- H. R. 3216. An act for the relief of Margaret T. Head, administratrix;
- H. R. 3394. An act for the relief of W. P. Thompson;
- H. R. 3458. An act for the relief of Charles Beretta, Isidore J. Proulx, and John J. West;
- H. R. 3673. An act for the relief of Maj. F. Ellis Reed;
- H. R. 3926. An act for the relief of Joseph Jameson;
- H. R. 4203. An act for the relief of A. S. Guffey;
- H. R. 4777. An act to compensate Robert F. Yeaman for the loss of certain carpenter tools which was incurred by reason of a fire in the Government area at Old Hickory Ordnance Depot;
- H. R. 4926. An act for the relief of the Pocahontas Fuel Co. (Inc.);
- H. R. 4927. An act for the relief of Francis Sweeney;
- H. R. 5297. An act for the relief of Christine Brenzinger;
- H. R. 5300. An act for the relief of Lewis H. Francke and Blanche F. Shelley, sole legal heirs of Ralph K. Warrington;
- H. R. 5336. An act for the relief of John J. Corcoran;
- H. R. 5338. An act for the relief of Roland M. Baker;
- H. R. 5894. An act for the relief of the State Bank & Trust Co. of Fayetteville, Tenn.;
- H. R. 5923. An act for the relief of the Sanitarium Co., of Portland, Oreg.;
- H. R. 6116. An act for the relief of R. P. Biddle;
- H. R. 6619. An act for the relief of the estate of William Bardel;
- H. R. 7110. An act for the relief of Frances L. Dickinson;
- H. R. 8092. An act for the relief of Randolph Sias;
- H. R. 8093. An act for the relief of John Rooks; and
- H. J. Res. 135. Joint resolution for the relief of special disbursing agents of the Alaska Railroad; to the Committee on Claims.
- H. R. 519. An act for the relief of Joseph F. Ritcherdsen;
- H. R. 802. An act to correct the military record of Curtis P. Wise;
- H. R. 871. An act for the relief of William Earhart;
- H. R. 971. An act for the relief of James K. P. Welch;
- H. R. 972. An act for the relief of James C. Simmons, alias James C. Whitlock;
- H. R. 1072. An act for the relief of George Adams;
- H. R. 1073. An act for the relief of Richard Brannan;
- H. R. 1530. An act to amend the military record of William F. Wheeler;
- H. R. 1533. An act for the relief of Theodore Herbert;
- H. R. 1534. An act to correct the military record of John Dewitt Marvin;
- H. R. 1583. An act for the relief of John J. Waters;
- H. R. 1590. An act to correct the records of the War Department to show that Guy Carlton Baker and Calton C. Baker or Carlton C. Baker is one and the same person;
- H. R. 1931. An act for the relief of Daniel Mangan;
- H. R. 1970. An act for the relief of Dennis W. Scott;

- H. R. 2272. An act for the relief of William Morin;  
 H. R. 2284. An act for the relief of Lucius Bell;  
 H. R. 2294. An act for the relief of George H. Gilbert;  
 H. R. 2296. An act to amend the military record of Robert Zink;  
 H. R. 2422. An act to correct the military record of Jordan Kidwell;  
 H. R. 2472. An act for the relief of Emile Genireux;  
 H. R. 2482. An act for the relief of John Jakes;  
 H. R. 2526. An act for the relief of William Perkins;  
 H. R. 2528. An act for the relief of J. W. La Bare;  
 H. R. 2649. An act authorizing the President to reappoint John P. Pence, formerly an officer in the Signal Corps, United States Army, an officer in the Signal Corps, United States Army;  
 H. R. 2808. An act for the relief of Ella G. Richter, daughter of Henry W. Richter;  
 H. R. 3041. An act for the relief of Alfred St. Dennis;  
 H. R. 3049. An act for the relief of Alexander Ashbaugh;  
 H. R. 3145. An act for the relief of Willis B. Cross;  
 H. R. 3166. An act for the relief of Bert H. Libbey, alias Burt H. Libbey;  
 H. R. 3192. An act for the relief of John Costigan;  
 H. R. 3241. An act for the relief of Seymour Buckley;  
 H. R. 3315. An act for the relief of Charles A. Black, alias Angus Black;  
 H. R. 3352. An act for the relief of Estle David;  
 H. R. 3400. An act to correct the military record of Andrew B. Ritter;  
 H. R. 3440. An act for the relief of Alvin H. Tinker;  
 H. R. 3466. An act for the relief of George A. Winslow;  
 H. R. 3467. An act for the relief of Giles Gordon;  
 H. R. 3510. An act to authorize the President, by and with the advice and consent of the Senate, to appoint Capt. George E. Kraul a captain of Infantry, with rank from July 1, 1920;  
 H. R. 3723. An act for the relief of John M. Andrews;  
 H. R. 3737. An act for the relief of John T. O'Neill;  
 H. R. 3969. An act for the relief of James E. Westcott;  
 H. R. 3993. An act for the relief of Adam B. Ackerman, alias Adam B. Aunkerman;  
 H. R. 4013. An act for the relief of Charles R. Stevens;  
 H. R. 4027. An act for the relief of the widow of Warren V. Howard;  
 H. R. 4079. An act for the relief of William A. Hynes;  
 H. R. 4080. An act for the relief of William Smith;  
 H. R. 4104. An act to correct the military record of James William Cole;  
 H. R. 4168. An act for the relief of John Strevy, deceased;  
 H. R. 4280. An act to correct the military record of John W. Cleavenger, deceased;  
 H. R. 4536. An act for the relief of Fred R. Nugent;  
 H. R. 4652. An act for the relief of Charlie R. Pate;  
 H. R. 4654. An act for the relief of Kennedy F. Foster;  
 H. R. 4655. An act for the relief of David E. Goodwin;  
 H. R. 4660. An act to correct the military record of Charles E. Lowe;  
 H. R. 4661. An act to correct the military record of William Mullins;  
 H. R. 4702. An act to remove the charge of desertion from the record of Benjamin S. McHenry;  
 H. R. 4707. An act for the relief of Calvin H. Burkhead;  
 H. R. 4902. An act to correct the military record of Charles Robertson;  
 H. R. 5065. An act for the relief of James M. Winston;  
 H. R. 5224. An act for the relief of Thomas J. Gardner;  
 H. R. 5228. An act for the relief of Finas M. Williams;  
 H. R. 5230. An act to correct the military record of Pleasant R. W. Harris;  
 H. R. 5231. An act to correct the military record of James Shook;  
 H. R. 5232. An act to correct the military record of Owen J. Owen;  
 H. R. 5255. An act for the relief of Jacob F. Webb;  
 H. R. 5380. An act to correct the military record of G. W. Gilkison;  
 H. R. 5381. An act to correct the military record of Thomas Spurrier;  
 H. R. 5383. An act to correct the military record of John W. Siple;  
 H. R. 5424. An act for the relief of Anthony Schwartzberger;  
 H. R. 5994. An act for the relief of George C. Hussey;  
 H. R. 6005. An act for the relief of Edward J. Boyle;  
 H. R. 6006. An act for the relief of Patrick J. Langan;  
 H. R. 6007. An act for the relief of John Magill;  
 H. R. 6162. An act for the relief of Thomas M. Ross;  
 H. R. 6180. An act for the relief of William H. Armstrong;  
 H. R. 6185. An act for the relief of Thomas Jefferson Shropshire;  
 H. R. 6282. An act for the relief of Henry Shull;  
 H. R. 6364. An act for the relief of Edward Tigh;  
 H. R. 6389. An act for the relief of Samuel Pelfrey;  
 H. R. 6431. An act for the relief of Lewis H. Easterly;  
 H. R. 6432. An act for the relief of James E. Moyer;  
 H. R. 6438. An act for the relief of David Parrett;  
 H. R. 6442. An act for the relief of Ralph H. Lasher, whose name appears in the Army records as Ralph C. Lasher;  
 H. R. 6579. An act for the relief of James W. Kingon;  
 H. R. 6839. An act to remove the charge of desertion against Israel Brown and to grant him an honorable discharge;  
 H. R. 6917. An act to correct the military record of Sylvester De Forest;  
 H. R. 7227. An act for the relief of William H. Dotson;  
 H. R. 7228. An act for the relief of Frederick Leininger;  
 H. R. 7229. An act for the relief of Henry Simons;  
 H. R. 7553. An act for the relief of James Neal;  
 H. R. 7779. An act for the relief of William H. Wagoner;  
 H. R. 7992. An act for the relief of Sally Mattie Macready, widow of Edward Daniel Macready;  
 H. R. 8190. An act for the relief of John G. Cassidy;  
 H. R. 8370. An act for the relief of Jeremiah F. Mahoney;  
 H. R. 8509. An act for the relief of Albert O. Tucker;  
 H. R. 8574. An act for the relief of Thomas Murphy;  
 H. R. 8589. An act for the relief of Thomas F. Nicholas;  
 H. R. 8590. An act for the relief of Nicholas Jones;  
 H. R. 8599. An act for the relief of George D. Vedder;  
 H. R. 8627. An act for the relief of John Clark;  
 H. R. 8628. An act for the relief of Amos Dahuff;  
 H. R. 8643. An act for the relief of William Taylor Coburn;  
 H. R. 8673. An act for the relief of Edward F. Weiskopf;  
 H. R. 8674. An act for the relief of Lester Cooley;  
 H. R. 8772. An act granting an annuity to Dr. Robert P. Cooke;  
 H. R. 8775. An act for the relief of George P. Bailey;  
 H. R. 8778. An act for the relief of William W. Woodruff;  
 H. R. 8788. An act to correct the military record of Willard Thompson, deceased;  
 H. R. 8796. An act for the relief of Martin L. Duffy;  
 H. R. 8797. An act for the relief of Clayton H. Adams;  
 H. R. 8798. An act for the relief of William Lentz;  
 H. R. 8804. An act for the relief of George W. McNeil;  
 H. R. 8805. An act for the relief of Martha D. McCune; and  
 H. J. Res. 93. Joint resolution for the appointment of Paul E. Divine, of Tennessee, as member of the Board of Managers of the National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.
- NATIONAL WOMAN'S DEMOCRATIC LAW ENFORCEMENT LEAGUE
- Mr. HEFLIN. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Mrs. Jesse W. Nicholson, of Maryland, at the first convention of the National Woman's Democratic Law Enforcement League. It is not very long.
- There being no objection, the address was ordered to be printed in the RECORD, as follows:
- ADDRESS OF MRS. JESSE W. NICHOLSON
- My friends and fellow citizens, it is a pleasure to welcome you here to-day at what will be an epoch-making meeting of earnest Democrats who have the best interests of the Democratic Party at heart.
- You have imposed upon the president and officers of this organization certain responsibilities when you unanimously elected us last May and we are here to render an accounting of our stewardship.
- Seven years have passed since women were enfranchised after a struggle of more than half a century. How often is the question asked, "What effect, if any, has the woman's vote had upon politics?" a question not so easy to answer as at first might be supposed, for many have not taken into consideration that we had to begin at the very bottom and work our way up; yet we are under indictment by the best known political writers over the country, who have said:
- "The women have not changed any political situation or altered the political complexion of any locality. Not a boss has been unseated. Not a convention has broken away from the familiar towing ropes. Nothing has been changed except that the number of docile ballot droppers has been approximately doubled."
- As a matter of fact, we have not voted as men expected us to vote, because we would not vote for what they offered us to vote for.
- This is our opportunity now. We must show the good people of the Nation that the Democratic women of the country propose to emphasize their independence and influence by prevailing upon the leaders of our party to select a "dry" for President and Vice President.
- There are certain types of women, mostly office seekers that are blindly following the politicians, willing to do their bidding, who are



being used as tools to undermine this and any other organization of women who have the courage to come out and stand for something that will protect their homes and their children.

The National Woman's Democratic Law Enforcement League is to be congratulated upon having as our officers and followers strong and capable women, women who, as mothers and wives, know how to stand for a cause which they believe will protect the great race they have created; women who have put everything on the altar of faith, believing in justice, and who have put their country above personal gain; women who have put everything in with no thought of taking anything out. With such women in our organization we can not fail to accomplish the purpose for which it came into existence.

The purpose of this organization is to unite the efforts of women Democrats throughout the Nation who believe in the enforcement of all laws, especially the upholding of the Federal Constitution, to the end that more effective support can be given to those candidates, both for the nomination and the election, who will best advance these principles.

Our organizers and officers have gone before the country to organize leagues upon the following platform:

"That the Constitution of the United States and every article and clause in it is a part of the law of every State in the Union and is the paramount law; that any attempt to revise or modify the same in any manner than that provided in the Constitution for so doing is extra-constitutional and revolutionary; and that the letter and the spirit of our organic laws are binding on and must be observed by the officers of each State in the Union who have taken the oath to support the Constitution of the United States.

"While we declare our firm allegiance to the preservation of every right of individual liberty under the law, we declare that public peace and public order are absolute and essential conditions of free government, and we, therefore, will oppose with our utmost power the forces of disorder and lawlessness, from whatever source they may emanate.

"The supremacy of the Constitution and the laws made in pursuance thereof are the best and wisest guaranties of the rights, liberty, and happiness of all the people, and all movements seeking by deception, political manipulations, threats, or organized popular clamor to overthrow or supplant these guaranties are attempts to destroy the American system of representative government organized and established by the Constitution."

We have been asked many times if we would put forth any candidates; to all such inquiries we have answered, Not yet; we are quite willing that those in authority who have been elected or appointed to official positions within the Democratic Party should not be handicapped and hampered in the selection of a President and Vice President, but we feel we would not be doing our duty as citizens if we sat still, without letting these officials know in no uncertain terms the kind of candidates we want and the kind we will vote for, and if after making our wants known to them far in advance and they do not heed our advice or admonition, we have another course we expect to pursue.

There are certain disqualified wet candidates seeking the nomination for President on the Democratic ticket, and there is a concerted effort by the Republican wet press to back these candidates to the limit, and it has been alleged that Republicans have already spent over \$4,000,000 to further the interests and help the nomination of one of the wet Democratic candidates, knowing how easily they could defeat this candidate. And you will recall only recently of what purported to be spontaneous meetings here and there for this particular candidate, with the press giving much publicity, and some wet Democrats have joined in the chorus.

We dry Democrats must speak now, before it is too late. It is interesting how some of these wet candidates are trying to befuddle the minds of the women and the public by certain carefully worded planks for their platform, trying to deceive us into believing that they would enforce the eighteenth amendment if we would put them into office. Let us not be trapped or betrayed by any such high-sounding phrases as State rights. Let us ask, Is it State rights or State wrong? And when you hear one of them pleading with the Government to let down the bars that more aliens should be permitted into our country, pleading tolerance for the foreigner, who in many cases has proven to be our worst lawbreaker, you know that that candidate does not have your interest and my interest at heart, and that all he wishes or desires is to get elected to office by any means, catering to the lowest elements within our country.

Another candidate says he does not approve of the eighteenth amendment, but will enforce it as long as it is a law. That candidate, as Governor of the Empire State, threw the weight of his great office in helping to repeal the enforcement act, which now makes it impossible to enforce the prohibitory law. And when murder after murder has been committed, because it was easy to obtain liquor, and when that candidate himself openly violates the prohibition law, he has the audacity to ask the law-abiding women of this country who uphold the laws to vote for him for President; but he is honest enough to say in advance, if he is elected he will use his great office to help bring about the repeal, nationally, of the eighteenth amendment as he did in his own State, and judging from his official State acts he would endeavor to carry out such a program to the letter.

Another of these candidates comes before us with a plea of excessive campaign expenditures, slush funds, intolerance, lambasting the Republicans for their commissions and omissions, saying that prohibition has no place in a political campaign.

Let us not be deceived by these tactics. Let us not forget how this same candidate fought woman suffrage, insulting and deriding us; how he fought the greatest leader the democracy has ever known, giving aid and comfort to our enemies in the time of war; and how he fought the League of Nations, the only instrument of peace; his bitter opposition to the Sheppard-Towner birth hygiene bill, which would bring to the mothers and babies of the country Federal and State cooperation for better and healthier citizens; and his cutting and sneering opposition to the great army of law-abiding women who stormed the Capitol in defense of the eighteenth amendment at the Senate hearings some months ago.

The time has come when we must decide for ourselves what we shall expect of our candidate. Let us determine how we can elect our candidate and then let us go from this convention determined to put over such a program, remembering that "eternal vigilance is the price of liberty."

My friends, let us hesitate long before we vote for a "wet" candidate, now that we have outlawed the liquor traffic. Don't trust such a candidate, as we know that the liquor interests are powerful, aggressive, and universal in their attacks. Because to-night it enters an humble home to strike the roses from a woman's cheek, and to-morrow it challenges this Republic in the Halls of Congress. To-day it strikes a crust from the lips of a starving child, and to-morrow levies tribute from the Government itself.

There is no cottage in this Nation humble enough to escape it, no palace strong enough to shut it out. It defies the law when it can not coerce suffrage. It is flexible to cajole but merciless in victory. It is the mortal enemy of peace and order, the despoiler of men, the terror of women, the cloud that shadows the face of children, the demon that has dug more graves and sent more souls unshriven to judgment than all the pestilence that have wasted life since God sent the plagues to Egypt, and all the wars since Joshua stood beyond Jericho.

Oh, my countrymen and women, loving God and humanity, let us not bring this grand old country again under the domination of that power. It can profit no man by its return. It can uplift no industry, revive no interest, remedy no wrong. You know, and I know, that it can not.

It comes to destroy, and it shall profit mainly by the ruin of your sons and mine. It comes to mislead human souls and crush human hearts under its rumbling wheels. It comes to bring gray-haired mothers down in shame and sorrow to their graves. It comes to turn the wife's love into despair and her pride into shame. It comes to still the laughter on the lips of little children. It comes to stifle all the music of the home and fill it with silence and desolation. It comes to ruin your body and mind, to wreck your home, and it knows that it must measure its prosperity by the swiftness and certainty with which it wrecks this work. Trust no candidate labeled "Wet."

Now, for a moment let me review a few unquestioned facts that we may clearly see just what is necessary if the Democratic Party is to be victorious in 1928. We certainly can not win with a wet candidate.

Don't lose sight of the fact that money plays a prominent part in any campaign. In the Republican Party, through its Republican convention, which is really nothing more than a ratifying body of less than 20 representatives of the various trusts of the Nation who hold the money bags, and while large numbers of delegates and alternates are chosen to go to the convention these 20 have the ruling power and say what shall be done and what shall not be done, and they know what they want and how to get what they want, and the convention meekly falls right into line. It is an invisible government that rules this Nation.

Will Hays, who was President Harding's campaign manager, said at a banquet given for his successful efforts, when the cheering had died away, "Now, boys, the thing I want you all to remember is that it did not just happen; it was planned far in advance."

Now, those of us who have long memories wonder if the oil steals and the rest of the tactics of the invisible government were planned far in advance.

You are all familiar with what occurred in 1924 when our Democratic delegates and alternates went to the New York National Democratic Convention under the leadership of CORDELL HULL in perfect peace and harmony, were thrown into almost complete disorganization and confusion by these same powers of the invisible government where they reign supreme. There the sober counsels of the Democratic leaders, thrown together from 48 States and torn by a struggle over mere candidates, were led into a jumble of confused voices praising and denouncing candidates.

As we approach the election of 1928, again the American press is filled with articles urging the Democratic Party to pose as a "wet" party and urging the Democratic Party not to go astray on account of religion. I agree with that great Democratic leader, Senator Robert L. Owen, and say it is only a smoke screen of this invisible government hiding itself from view.

The attitude of the Democratic Party for law enforcement, including prohibition, was precisely right in 1924. The prohibition leaders asked nothing more and they wish nothing else now.

There is but one great issue upon which the Democratic Party can reasonably hope to win, and that is by defending America against the stand-pat Republican policy of illicit secret alliance with corrupt business men who are using the governing powers of the people and rule by proxy.

On the issue shall America be free and a government by the people and for the people, or shall America be enslaved by an invisible government of self-seeking moneycrats, the liberal and progressive forces of America can be aroused and united. If so united they could probably control three-fourths of the total vote.

As it is, the Progressive Republicans are usually coerced by the Republican machine organizations, and the Democrats do not cohere all of the progressives and liberals under one banner and are beaten. The stand-pat strategy is to "divide and conquer." The Democratic and Progressive strategy should be to "unite and conquer."

The invisible government, through their innumerable agencies, will resist any union of the liberal forces and will charge them with hostility to wealth.

The Democracy, the progressive and independent Republican is not the enemy of wealth. American wealth owes its very existence to the opportunities and protection afforded under a free, benign, and just democracy. Vast personal wealth has its limitations. It has great commercial and political power, but not supernatural intelligence, and when it is used to corrupt and control the Government itself for personal privileges and private profit at public expense the people must arise and defend themselves or pass into serfdom and industrial servitude.

In selecting a candidate as the standard bearer of our party the National Woman's Democratic Law Enforcement League ask our leaders, who will meet in a day or two with these facts before them, to choose a man whose private life as well as his political life be above reproach if they wish the support of the women of the party, because we are determined to support only such candidates as can bear close inspection both morally and politically.

In closing let me say the "wet" candidates must recognize that victory is impossible without harmony and that as long as they remain in the race the people will think only of their wet records.

It is our belief that if they would immediately withdraw, accompanied by a ringing call to harmony, it would receive nation-wide approval and result in sending a progressive constitutional Democrat to the White House. And if they have the interests of the party at heart rather than their own personal aggrandizement, they will heed the will of the majority.

#### "THE IMPERIAL RUSSIAN CONSPIRACY"

Mr. BLEASE. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the American Monthly commenting on a book written by former Senator Owen, entitled "The Imperial Russian Conspiracy."

The PRESIDING OFFICER (Mr. BLAINE in the chair). Without objection, it is so ordered.

The article is as follows:

INCENDIARISM ON THE NEVA—SENATOR OWEN'S THOUGHT-EVOKING BOOK, "THE IMPERIAL RUSSIAN CONSPIRACY," CONTINUES TO STIR THE COUNTRY

The American Monthly, in its issue of August, 1927, dwelt briefly on United States Senator Robert L. Owen's penetrating book, "The Imperial Russian Conspiracy." Naturally so astounding and courageous a book must arouse lively interest here and abroad. It is remarkable to notice that the metropolitan press did not give as much space, comparatively speaking, to reviews of the Owen book as did the middle western papers. Among the latter, two voices stand out especially that should echo and reecho throughout the world.

The first of these articles, a searching study of Owen's book, was written by Cyril Arthur Player. It appeared in the Detroit (Mich.) News on August 28, under the heading:

#### RUSSO-FRENCH PACT CAUSED WORLD WAR

A conspiracy so gigantic in its scope, so appalling in its effect that all recorded history has not the like to offer, plunged the peoples of the world into the World War.

The millions for whom we still mourn, the millions whose wounds refuse to heal, the millions whose grief weeps lonely forever and forever, these were the innocent sacrifice to the cynical ambitions of a handful of imperial-minded statesmen.

Idealism was a catch phrase to hide the lies from credulous peoples marked for slaughter. There was no war to end war. Not war for democracy.

The World War was a selfish plot against the peace of the world for which the common peoples paid in blood and suffering and wretchedness whose sum and duration is not yet computed.

The weapon with which little greed struck at the heart of civilization was secret diplomacy. By this means a few men controlling one

great nation were able to conspire with a few men controlling another. The weapon has been blunted but not destroyed. What was possible then is possible now. The world must face the truth and forbid it.

Robert L. Owen, former United Senator from Oklahoma, offers the proof of these things. Moved "alone by my love for the people of the United States" he sets the awful case forth in his book, *The Russian Imperial Conspiracy, 1892-1914* (Alfred & Charles Boni). Obviously it is a sensational indictment. Unfortunately for history and its myths, the main case as Senator Owen presents it, with his evidence, is incontrovertible. There was such a conspiracy. It cost the lives of millions. It all but wrecked civilization.

#### SUPPORTED BY PROOF

This is a story which, supported by proof which is indubitable, commands the attention of every human being capable of sharing the sorrows of civilization, past or future. It transcends all prejudice of nationality. For no people, neither German nor French, neither Russian nor English, neither Austrian nor Italian, was guilty of willing this war. They paid for it, are paying for and will continue to pay for it.

Mr. Owen himself says that the common people everywhere "were patriotic, brave, and determined to defend their own homes, but they did not have the will to invade their neighbors' territory for profit."

But a group of Russian imperialists and a few French leaders did plan for 20 years to make war on Germany. The roots of the war are to be found in the spirit of "excessive nationalism, militarism, and imperialism built up through the centuries." But the precipitating cause was cold-bloodedly arranged as the results of the secret treaty between Russia and France in 1892-1894.

It was part of the plot that hypocrisy should baffle the common intelligence with lies and fix the moral guilt on the German people. So a gigantic falsehood was written into the treaty of Versailles.

Beyond these things, Senator Owen essays to establish that during the years in which the conspiracy was matured, the French press was subsidized with Russian money, borrowed from the French people and expended under the French minister of foreign affairs, whereby the French people were induced to buy \$7,000,000,000 of Russian bonds, which were employed in building up a huge Russian army, to manufacture supplies of heavy and light artillery and munitions of war, to double track their railways to the German border, for the purpose of carrying out the military conventions of making offensive war on Germany.

#### ENCIRCLED BY TREATIES

To make certain the success of this gigantic conspiracy, the author continues, Germany was encircled with a series of treaties or understandings between Russia and France, between Russia and Rumania, Russia and Bulgaria, Russia and Italy, Russia and Great Britain, France and Great Britain, France and Belgium, so that Germany was completely surrounded on land and sea.

He then asserts that Sir Edward Grey's secret commitments to France made Britain an accessory to the war; hence the eve of war found the British fleet in possession of the North Sea and the French fleet already withdrawn into the Mediterranean.

As part of the strategy to throw the moral influence of the world against Germany, Germany was made to appear as guilty of having started the war. This was done by mobilizing the troops of Russia through a general mobilization order (the military equivalent of a declaration of war by Russia, but not so understood by the public), which called to the Russian colors 14,000,000 men and concentrated such masses of Russian troops against the German border that the military leaders of Germany, as a military necessity, had no option whatever except to recognize what was a fact, "a state of war existing." This was only done on August 1, 1914, at 7 p. m., after the Russian mobilization had been in progress for approximately eight days.

Immediately Germany took this official step, desired by the conspirators, Mr. Owen continues, Germany was blockaded by land and sea and the most gigantic propaganda the world has ever known was begun by the Entente Allies to prove to the world that the German leaders were solely responsible for the war; that the German purpose was to conquer Europe and to become the military dictator of the world; that the Germans were waging war with fiendish cruelty.

The conspiracy of the Russian and French leaders succeeded completely. Most of the world believed Germany guilty, even over the unceasing protests of Germany, and when the treaty of Versailles was written in June, 1919, the German Government was compelled by military force to confess that Germany had imposed war on the Allies.

"Such a confession," remarks the author, "so extorted, has in history no equal in the magnitude of its injustice. This confession of guilt should be removed and the world brought back to understanding, truth, and good will."

For, he adds, "the reconciliation of the French heartfelt moral disarmament is essential to physical disarmament; their mutual respect and good will are vital to their future peace and the future peace of Europe and the world."

In this narrative Senator Owen is following the trail blazed conspicuously by Harry Elmer Barnes, who, in turn, owed much to the researches of Sidney P. Fay. The English historian, G. P. Gooch, and



the Canadian jurist, John S. Ewart, also have made illuminating contributions; and many others have helped. The source material of all of them, now combined and digested by Senator Owen, comprises the secret archives of all the nations concerned, excepting only those of the Republic of France, whose story, however, is revealed by the documents exposed by the other nations, particularly in the contents of the Russian archives.

The value of Senator Owen's contribution is that he is not a professional historian; he ignores, even at the cost of superficial error, the technical dialogue of the textbook analyst, and even yields occasionally to the treacherous rhetoric of indignation and its inevitably unsound conclusions. But he is an American citizen, looking with undisguised horror at something that has shocked him. His anger is that of every man. His voice is the voice of the public. The terms he employs are in the common tongue. The fundamentals, he declares, are those cherished most dearly by humanity. He is of those who were deceived and who paid.

The conspiracy which plunged the world into carnage was this: During the year 1892 the governing group of Russian imperialists and a few men at the head of the French Government discussed a secret treaty. The chief clause provided that in the event any member of the triple alliance mobilized France and Russia would consider that the same is a declaration of war and would immediately mobilize against Germany. The treaty was concluded in 1894.

Gradually the shadow of the balance of power began to fall across Europe until in each great country of Europe jealous and suspicious leaders stood guard, hatching rumors into crises.

In 1908 there had happened something too remote for the purposes of Senator Owen's exposure, but nevertheless essential to the complete story.

Austria took from Turkish rule the Slav Provinces of Bosnia and Herzegovina and annexed them to the dual monarchy. How did that come about? Isvolsky, the "damned soul" of the great conspiracy, then Russia's foreign minister, suggested it. Why did Isvolsky, a Russian minister, suggest this change of ownership for Slav peoples, presumably entitled to protection from the Great Slav Empire? Isvolsky believed that he could buy therewith Europe's acquiescence in Russia's age-long ambition for the straits and at the same time would be weakening Turkey, the power holding the coveted territory.

#### RUSSIA BLOCKED

As it happened the powers (chiefly Great Britain) blocked Russian ambition in that direction, and Russia felt chagrined. Russian leaders also expressed resentment that Russia had failed to protect the lesser Slav peoples. These leaders were ignorant of the part Isvolsky had played. This crafty man fanned the indignation of his coimperialists. Austria thus became the "oppressor of Slav peoples"; the subject Slav peoples became the necessary pot to stir into the fumes of disorder, rebellion, assassination.

Isvolsky found Raymond Poincaré in power, and Poincaré could say: "I have not been able to see any other reason for my generation living except the hope of recovering our lost Provinces."

The twin spirits reassured each other that the treaty of 1892-1894 was a valid instrument, and a secret one. The two groups drew together and planned the event which should fulfill the dreams of two nationalisms.

Russia had imperialistic and Pan-Slavic ambitions. She desired to dominate the Near East, to control the straits leading from the Black Sea to the Aegean, and to draw under her diplomatic ægis the lesser Slav peoples of Europe. These aspirations cut directly across the major ambitions and policies of the polyglot dual monarchy of Austria-Hungary, whose very existence depended upon repressing or debating the Slav nationalism on a large portion of her population. It is scarcely necessary to argue whether Austria-Hungary should have continued to exist. As Professor Barnes has pointed out, the Austrian and German authorities are to be forgiven for thinking that it should.

Then began the task of building up understandings with all the neighbors of the Central Powers, notably with Great Britain, whose foreign minister, wittingly or unwittingly, was to make himself and his country the servant of Franco-Russian imperialism.

#### STIR UP UNREST

The same Isvolsky whose counsel gave the Slavs to Austria now employed those Slavs as the excuse for the war at which the conspiracy now aimed. Constant and violent unrest produced assassinations; finally that of the Archduke Franz Ferdinand and his wife. It was a moment when the tension of Europe had built itself up to the breaking point. The diplomatic background constructed by secret diplomacy made a conflict inevitable once an important crucial issue arose between the Triple Alliance and the Triple Entente.

The conspirators, all their military plans carefully arranged in a series of conferences, some of the minutes of which Senator Owen cites, produced the crucial issue. Ferdinand was assassinated.

The days between that event and the beginning of hostilities brought into open position all the arrangements so meticulously perfected through 20 years. England made good Grey's secret entangle-

ments and went to war against Germany and beside France. Colonel House, a few months earlier, had said: "The moment England consents, France and Russia will close in on Germany." England had consented.

Italy, only a member of the Triple Alliance, out of pique at French annexation of Tunis, marched against her "natural" enemy, Austria, in quest of Italia Irredenta.

Nothing had been left to chance—not even the blame for it.

There are grave things involved in the discussion of those last pre-war days. Great names are brought in question. Through what glasses of prejudice or imperial need did Grey survey the situation? Where did Henry Morgenthau get his account of the "decisive" Potsdam Conference? What was the notorious Potsdam Conference? The documents now show this: On July 5, as William II prepared to leave for his northern cruise, Chancellor Bethmann Hollweg sent this message to Vienna: "Austria may judge what is to be done to clear up her relations with Serbia; whatever Austria's decision may turn out to be, Austria can count with certainty upon it that Germany will stand behind her as an ally and friend."

#### REGRETS TOO LATE

Three weeks later, when events had brought the Kaiser back to Berlin, and it became apparent that tragedy was near, William II bitterly repented the message and the effect of it. The evidence bears out the claim that he made every effort to moderate and restrain Austria. It was too late, but it would not have been if Russia and France had not determined to force war upon Germany.

These talks of William II with Hollweg, Falkenhayn, and Zimmermann constitute the "Potsdam conference." The papers show that William II conceived only of Austria administering punishment to Serbia. They show that he accepted Serbia's reply to Austria's ultimatum as wholly gratifying to Austria. They show him frantically apprehensive when it became positive that peace was at an end.

Unquestionably Austria's conduct was perverse, determined, and arbitrary. However, to the Dual Monarchy the issue was a life and death proposition. That is obvious. Isvolsky, with less reason, urged that the upholding of the Slavs by Russia also was a life and death matter. The actualities of the time support Austria, without justifying either.

Finally, Senator Owen quotes sufficient from the archives to show that French and Russian mobilization was hurried in advance of declaration of war, so that, as outlined earlier, Germany found herself faced by a fact, and so in self-defense was forced to take up the challenge.

It goes for the saying that in each country, not least in Germany, there was a group of war spirits to welcome a war. The spirit of militarism existed everywhere; and raw nerves; long-sustained apprehensions; and the deadly and precarious balance of power.

Nevertheless, it is established by these documents that the Russian imperialists and a group of French statesmen did plan to control this nervous tension of Europe and direct it so that it would annihilate a nation for their own imperial aggrandisement. An analysis of each country involved shows little but sordid motive at bottom. Neither in Russia, France, nor Britain was it necessary for a government to reveal to parliament its secret treaties. That is true in France and Britain to-day. The fatally mischievous influence of Isvolski and the cold-blooded calculation of a few French leaders and of the unscrupulous group around the Czar are placed beyond question. Secret diplomacy delivered the millions into their hands.

#### EXPLODES "ATROCITIES"

As for the war lies, the "atrocities," and the like, Senator Owen takes the trouble to explode some of the more notorious, although the American public has been miserably conscious for a long time that the hysteria of war has to be fed by an unspeakable diet of mendacity and exaggeration.

Not the least disheartening phase of the story is the apparently easy corruption of the French press. In one letter Isvolsky asks his government to provide 3,000,000 francs (\$600,000) to hand the papers controlled by radical Socialists. His letter—written in July, 1912—begins: "From this interview I was convinced that M. Poincaré—then premier—is in every respect in accord with us, considers the moment has finally arrived to realize the century-old aims of our traditional policy—seizure of Constantinople and the Straits—and therewith restore the European balance of power by the return of the stolen Provinces of Alsace-Lorraine. In order to control the newspaper mouthpieces of prominent Socialists, Poincaré shares my opinion that a very large sacrifice on our part is necessary for this purpose."

He hesitates to name the sum—3,000,000 francs—but reminds the Czar's advisers that "the Turkish Government has spent 5,000,000 francs to influence the French press and bought even one of their most prominent authors, Pierre Loti. . . . I propose that the subsidy be paid in monthly installments as heretofore in order to be sure every minute of the zeal of the newspapers."

Sazonoff replies from St. Petersburg that the plan is approved, to which Isvolski sends an acknowledgment, adding concerning the distribution of the money: "It is very important not to undertake any-

thing without consulting Poincare. French statesmen are practiced in such matters and possess incredible adroitness."

Raffalowitz, the Russian distributor of newspaper graft in Paris, duly sent in his expense account, November 7, 1913, as follows:

	Francs
La Lanterne (Millerand's paper).....	42,000
L'Aurore (Clemenceau's paper).....	17,000
L'Evenement.....	11,000
L'Action.....	9,000
La France.....	11,000
Le Rappel.....	7,000
Le Gil Blas.....	2,000
Le Journal.....	1,000

Two weeks later the agent's report showed that the cost of journalistic zeal had mounted:

Millerand's paper is credited with \$5,000 francs.

Clemenceau's with 45,000.

Le Radical gets 120,000.

Le Figaro, 25,000.

Le Temps, 50,000.

La Libre Parole, 80,000.

Le Gaulois, 25,000.

La Liberty, 30,000.

Raffalowitz also reminds Isvolsky: I have already informed your excellency that Lenoir, at the instigation of Klotz, who herein is Poincare's mouthpiece, has pledged himself firmly toward the journals L'Aurore, La Lanterne, Le Radical, etc., as well as to certain directors of journals having but small editions, but great influence in politics."

#### ABOUT PEOPLE

Senator Owens sums up: "It was under these subsidies of the French press that the French people were worked up by special writers to believe that it was to the interest of France to support Russia in defending Serbia on the pretense of maintaining the 'balance of power' in the Balkans, while Russian money in Serbia had excited the intrigues of Serbia, which led to the assassination of numerous Austrian officials (finally of the Archduke Ferdinand) and compelled Austria to mobilize against Serbia in self-protection. This local act of war of Austria against Serbia was used then as a pretext for Russian general mobilization, which really meant a secret declaration of war by Russia and France against Germany, as shown by the contract of 1892-1894, the military conferences, and the secret dispatches already published."

Senator Owen, having marshaled his documents, places the moral responsibility for the war on Sazonoff, Nicholas II, Grand Duke Nicholas, Isvolsky, and Poincare. "But," he remarks, "it would be a grave mistake to permit a discussion of this great question to generate into stigmatizing leaders, however much they erred." He insists, however, that "the official proof is overwhelming that the Germans did not will the World War; that the Austrians did not will the World War; that the leaders of Serbia, of Russia, and a very, very few French leaders, controlling nevertheless French foreign affairs, did will the World War."

#### SECRET DIPLOMACY

Translating this into terms of philosophy, he suggests the spirit of excessive nationalism, militarism, and imperialism, cultivated by the leaders in Europe, as mainly responsible, and adds: "If the democracies or peoples of the world continue to permit secret diplomacy, with its ambitious intrigue, militarism, commercial imperialism, this World War will not be the last." In another place, remarking that the Russian conspiracy has greatly advanced government by the people, he adds that "the greatest need of the world now is that government by the people should be strenuously supplemented by education of the people."

In the end there comes the disturbing reflection that if Senator Owen's case were only half true, if there existed nothing more than the cold-blooded conspiracy to war, plotted by a few Russian and French leaders, then the author is correct in asserting that the theory that the war was waged in defense of American ideals was untrue. He is even more convincingly correct when he indicts the treaty of Versailles with its betrayal of President Wilson's pledges (in the 14 points) to the German people.

Senator Owen believes that "the establishment of the truth as to the origin of the World War is vital to a reconciliation of the people of Europe." He thinks that just as the American people were gravely deceived by European propaganda as to the origin and the purposes of the World War, so they are now being subjected to a similar propaganda for the cancellation of the war debts. He thinks that all the common peoples, German as well as others, are indistinguishable in honest purpose and are equally worthy of American interest and sympathy.

Senator Owen, a fair-minded man, powerfully moved, his earlier convictions overturned, sets forth impressively this colossal story of the world's betrayal. During recent years men's minds have been revolving uneasily the theme to which he now brings, condensed and assembled, the truth. It has been a long time coming. But, declared Schopenhauer, "the truth can wait. It has a long life before it."

The second article reprinted here is an editorial, also from the Detroit (Mich.) News, published on August 29, and entitled:

#### THE WORST COLOSSAL CRIME OF ALL TIMES

"No question is ever settled until it is settled right."

The most devastating tragedy of all time is not settled right, and on the conscience of every honest man and woman must rest the burden of a colossal betrayal.

The revelation of the stupendous conspiracy by a handful of Russian and French statesmen, categorically established by Senator Robert L. Owen, is not the work of a pamphleteer. It is the voice of an indignant world which has just discovered that its finest emotions have been employed to set the common people everywhere to butchering each other, not for those splendid ideals for which men and women, through all time, have sought glorious martyrdom, but to fulfill the coldly calculating ambitions of a few powerful and wicked men.

Is it possible that the memories of that appalling war already are buried under the tinsel of prosperity? Are there no homes in this land, as in others, whence youth has gone forever, or else has returned to drag its crippled symbol miserably through life? For what was this sublimest of sacrifices, this utter renunciation of life and health and opportunity and the sweet things which bloom in the hearts of the happy and well? Was it the world's grandest gesture of heroism in defense of man's priceless liberties? That were a fight, indeed! The widow and the orphan could be glad for it. The stricken home could be forever an altar consecrated to the hopes of humanity. For this very threshold, for this hearth, for this cradle, to protect all this precious sum of dear life, youth marched to war and died.

The evidence says, cruelly, no.

The glory is no less bright, for the lives were generously given in faith. Only the background grows dark and murky. These cold and crafty men, all powerful, sitting quietly in their council room and watching; whispering secret things one to another; plotting craftily the ruin of the world; dropping the poison of distrust and hatred; thrusting weapons into the nervous, ready hands of patriot-assassins; setting the time clock of destiny so that in the end the explosion might flame and tear itself across the earth, at least to destroy one people. And when this very thing came dreadfully to pass, the little group still sitting at their table, smiling, congratulating each other, tracing, and verifying the new lines on the map.

A terrible story. Humanity has nothing to set beside it; only its tears. A story that rises above nationality and commands the scrutiny and judgment of every human being capable of suffering, past or future. A story that can not be ignored, that demands refutation syllable for syllable—and can not be refuted.

It is true. Men could make this plot. Neither in France nor in Russia, nor for that matter in England, could Parliament demand those secrets. A few men, ruling, could conspire against hundreds of millions of innocent people, and molding passions to their need by the expenditure of untold millions with a venal French press, precipitate a carnage incomparable and a hatred which still harasses the world.

"No question is ever settled until it is settled right."

No people, German, or French, or Russian, or Austrian, or English, willed that war. Neither did the German Government will it. When Colonel Picquard told General Gonse that an error had been committed in the Dreyfus case, Gonse replied: "If you hold your tongue no one will know anything about it." But the innocence of Dreyfus became apparent by the collapse of the proofs upon which he was condemned. It is the same with Germany to-day. The archives of the world, excepting those of France, have not held their tongue.

The future peace of the world, the happiness of those boys and girls who even now are preparing to enter another year of school in preparation for a useful, happy, and prosperous life, demands that the American people face these facts, regardless of origin or birth, of any prejudice or conviction. The peace of the world must no longer rest with conspirators. The people sometimes blundering but always in the last analysis honest and friendly, must hold the power over their own lives and happiness which secret diplomacy robbed away. This most colossal crime in all history must not be repeated.

"No question is ever settled until it is settled right."

#### IMPORTATION OF BROKEN RICE

Mr. RANDELL. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution (S. Con. Res. 4) to define broken rice. Its consideration will take but a moment. If it leads to any debate, I shall not press it.

Mr. JONES. Was the concurrent resolution reported from the Committee on Finance?

Mr. RANDELL. No; it was reported from the Committee on Agriculture and Forestry, but the chairman of the Committee on Finance said that its adoption is entirely satisfactory to him.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 1, line 4, after the word "only," to strike out "the class 'Brewers Milled Rice' as specified in the united standards for



milled rice" and to insert in lieu thereof "rice which falls within the class 'Brewers Milled Rice' as defined in the United States standards for milled rice as promulgated by the Secretary of Agriculture," so as to make the concurrent resolution read:

*Resolved, etc.,* That for the purpose of interpreting the meaning of the tariff act of 1922, with respect to imported broken rice, "broken rice" shall include only rice which falls within the class "Brewers Milled Rice" as defined in the United States standards for milled rice as promulgated by the Secretary of Agriculture.

The amendment was agreed to.

The concurrent resolution as amended was agreed to.

#### EXECUTIVE SESSION

Mr. JONES. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

#### RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 18 minutes p. m.) took a recess until to-morrow, Friday, January 13, 1928, at 12 o'clock m.

#### NOMINATIONS

*Executive nominations received by the Senate January 12 (legislative day of January 11), 1928*

##### FOREIGN SERVICE OFFICER OF CLASS 2

Addison E. Southard, of Kentucky, now a Foreign Service officer of class 3, to be a Foreign Service officer of class 2, of the United States of America.

##### SECRETARY IN THE DIPLOMATIC SERVICE

William W. Schott, of Kansas, now a Foreign Service officer of class 8 and a consular officer with the rank of consul, to be also a secretary in the Diplomatic Service of the United States of America.

##### UNITED STATES DISTRICT JUDGE

George T. McDermott, of Kansas, to be United States district judge, district of Kansas. (An additional appointment, under the provisions of section 375, United States Code.)

##### UNITED STATES ATTORNEY

Harry B. Amey, of Vermont, to be United States attorney, district of Vermont. (A reappointment, his term having expired.)

##### UNITED STATES MARSHALS

George W. Collier, of Maryland, to be United States marshal, district of Maryland. (A reappointment, his term having expired.)

George A. Mauk, of Arizona, to be United States marshal, district of Arizona. (A reappointment, his term having expired.)

James A. Stafford, of Alabama, to be United States marshal, southern district of Alabama, vice John W. Van Heuvel, term expired.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate January 12 (legislative day of January 11), 1928*

##### POSTMASTERS

###### COLORADO

John M. Miller, Campo.

###### ILLINOIS

Clarence E. Snively, Canton.

Stanley L. Ryno, Easton.

Percy W. Armstrong, Glencoe.

Leo M. Stoecklin, Highland.

William R. Gaddis, Lomax.

Frank H. Creswick, Mulberry Grove.

William J. West, Odin.

Elgin C. Spivey, Shawneetown.

Ernest W. Loehr, Waterloo.

###### KENTUCKY

Lloyd M. McCubbin, Hodgenville.

George W. Murphy, Livingston.

Claude T. Winslow, Mayfield.  
John M. Miller, Middlesboro.  
Henry B. Morehead, Morgantown.  
John B. Hutcheson, Owenton.  
Don C. Van Hoose, Paintsville.

##### MASSACHUSETTS

William H. Anderson, Monson.  
Harry S. Tripp, Spencer.

##### OHIO

Albert H. Soles, Buchtel.  
Harry H. Hover, Lakeview.  
Frank B. Pauly, Middletown.  
Ira R. Kneisly, Osborn.  
Nora Kassell, Philo.

##### OREGON

Lyle B. Chappell, North Bend.  
Josephine T. Stark, Sutherlin.  
Charles R. Tyler, Yamhill.

#### WITHDRAWALS

*Executive nominations withdrawn from the Senate January 12 (legislative day of January 11), 1928*

##### UNITED STATES DISTRICT JUDGE

George T. McDermott, of Kansas, to be United States district judge, district of Kansas, vice John C. Pollock, retired.

##### POSTMASTER

###### TEXAS

Alice Pipes to be postmaster at White Deer, in the State of Texas.

## HOUSE OF REPRESENTATIVES

THURSDAY, January 12, 1928

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We approach Thee now, O Soul of our souls. As we have in ourselves the power to love and the longing to do, how much more shall we find in Thee the same love and power! Oh, the pity of it when we fail to bow to our higher natures and neglect to live out the divine life. Help us to check the minor strain that often runs low and sound the note of the ministry of our best manhood. We beseech Thee to always help us carry it up to spiritual culture and beauty. We acknowledge our responsibility of our time and place, and ask for full power to transform all fruitless wastes into gardens of promise and gladness. Lord God of nations, bless our entire country and all institutions that make for a better national life. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

##### COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. TILSON. Mr. Speaker, I send to the Clerk's desk a resolution and ask unanimous consent for its present consideration.

The Clerk read as follows:

##### House Resolution 88

*Resolved,* That the following Members be, and they are hereby, elected members of the Committee on Expenditures in the Executive Departments, to wit:

Phil D. Swing, California; Guy E. Campbell, Pennsylvania; Harry E. Rowbottom, Indiana; to rank with the other majority members on said committee in the following order:

William Williamson (chairman), South Dakota; Clarence MacGregor, New York; Carroll L. Beedy, Maine; Don B. Colton, Utah; Phil D. Swing, California; Guy E. Campbell, Pennsylvania; Godfrey D. Goodwin, Minnesota; F. D. Letts, Iowa; Harry E. Rowbottom, Indiana; Frederick W. Dallinger, Massachusetts; John C. Schafer, Wisconsin; J. Russel Leech, Pennsylvania; Thomas C. Cochran, Pennsylvania.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.